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THE NELSON MANDELA SCHOOL OF PUBLIC GOVERNANCE

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Electronic Government Procurement (e-GP): A solution to institutional challenges in Zambia's Medical Supply Chain or another technical solution?"

by

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iii) LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| ACC | Anti-Corruption Commission |
| BoZ | Bank of Zambia |
| CEEC | Citizens' Economic Empowerment Commission |
| CPA | Country Procurement Assessment |
| CCPC | Competition and Consumer Protection Commission |
| CSOs | Civil Society Organisations |
| CTC | Central Tender Committee |
| DFID | Department for International Development |
| DG | Director General |
| DHO | District Health Office |
| e-GP | electronic Government Procurement |
| FIC | Financial Intelligence Centre |
| FILMUP | Financial and Legal Management Upgrading Project |
| GDP | Gross Domestic Product |
| GRZ | Government of the Republic of Zambia |
| MDTF | Multi Donor Trust Fund |
| IFMIS | Integrated Financial Management Information System |
| ICT | Information Communication Technology |
| IT | Information Technology |
| MoD | Ministry of Defence |
| MoF | Ministry of Finance |
| MoGE | Ministry of General Education |
| MoH | Ministry of Health |
| MoU | Memorandum of Understanding |
| MPSA | Ministry Parastatals and Spending Agencies |
| MSI | Medical Stores Limited |
| NCC | National Council for Construction |
| NDP | National Development Plans |
| NSCS | National Supply Chain Strategy |

| | |
|-----------|---|
| OAG | Office of the Auditor General |
| OECD -DAC | Organisation for Economic Cooperation and Development; Development Assistance Committee |
| PDIA | Problem Driven Iterative Adaptation |
| PEA | Political Economy Analysis |
| PE | Procuring Entity |
| PEMFA | Public Expenditure Management Framework Assistance |
| PEPs | Politically Exposed Persons |
| PF | Patriotic Front |
| PFMR | Public Finance Management Reform |
| PFMRP | Public Finance Management Reform Programme |
| PIU | Project Implementing Unit |
| PPA | Public Procurement Act |
| PPDA | Public Procurement and Disposal Authority (Uganda) |
| PSCAP | Public Sector Capacity Building Programme |
| PS | Permanent Secretary |
| SME | Small Medium Enterprise |
| TA | Technical Assessment |
| TI | Transparency International |
| TIZ | Transparency International Zambia |
| UK | United Kingdom |
| UPND | United Party for National Development |
| VfM | Value for Money |
| WB | World Bank |
| ZAMIM | Zambia Institute of Management |
| Zamtel | Zambia Telecommunications Company |
| ZAWA | Zambia Wildlife Authority |
| ZIBC | Zambia Insurance Business College |
| ZICTA | Zambia Information Communication Technology Authority |
| ZITF | Zambia International Trade Fair |
| ZIPs | Zambia Institute for Purchasing and Supply |
| ZPBF | Zambia Pharmaceutical Business Forum |

| | |
|------|-------------------------------------|
| ZPPA | Zambia Public Procurement Authority |
| ZNTB | Zambia National Tender Board |
| ZTBA | Zambia Tender Board Act |

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v) ABSTRACT

Do technical solutions override or fast track institutional reforms? This study interrogates the extent to which Zambia's newly introduced Electronic Government Procurement (e-GP) is addressing the procurement challenges [for essential drugs and medical supplies] in the Ministry of Health (MoH). A brain child of the Zambia Public Procurement Authority (ZPPA), the e-GP is but one of the components of the wider procurement reform agenda. The e-GP was introduced with the intention of enhancing efficiency, effectiveness and Value for Money (VfM) in public procurement. Since 2016, ZPPA has been piloting the approach in selected Procurement Entities (PEs), a combination of sector ministries and state parastatals. Based on review of project documentation, publicly available data, and interviews from key stakeholders; the study explores and interrogates the contextual and institutional challenges characterising the e-GP design and pilot implementation phases, and the extent to which these realities impact the achievement of the intended outcomes.

A fair amount of information from interviewees was provided under conditions of confidentiality, thus individuals are not often identified.

It is perhaps too early to ascertain the extent to which the e-GP is realising the intended objectives. This is partly explained by the project's slow start, occasioned by delayed procurement which had knock - on effects on the overall project's pace. An interrogation of the history and political economy of Zambia suggests however that it is the opaque challenges bordering on the political economy which is the single most binding constraint to reforms; defining the process, the pace and outcomes. The design of the e-GP was generic and non-participatory. There is no evidence to suggest that the process had provided opportunity for PE's to define and customize the problems that mattered for them to be addressed by the e-GP. Instead, the e-GP seems to have been sold to PEs as a *best practice* solution.

Because of the deep incentive fabric at both organizational and individual levels, the project seems to have some traction. Effort of various actors does not appear to be supportive of each, often latently contradicting each other. Project progress is held constant by the relative ability of the ZPPA to push some strands of work within some pilot PEs. This relative ability of the ZPPA shields the low levels of acceptance and questionable authority within PEs and among actors. Progress on the e-GP appears like a façade of success; suggestive of isomorphic mimicry.

1. CHAPTER 1 INTRODUCTION

1.1. Introduction to chapter

Public procurement is a necessary function of government in the delivery of goods and services to citizens. In both developed and developing countries, public procurement attracts interest from cross sections of society, largely because of the size of state resources allocated to procurement expenditure and the complexity or nature of the procurement processes. Like any other public sector, the procurement sector is evidently further complicated by globalisation, technological advancements and the nature of politics, among others. But the sector is also clearly dynamic, often adapting to changes in the context at various advancements or moments in time.

Globally, electronic procurement (e-procurement) is an example of the sector's ability to adapt with technological advances. Procurement practitioners and the academia are investing in understanding the value addition of technology to the procurement processes and outcomes in both the public and private sector.

A review of existing literature on the value of e-procurement can broadly be summed up as viewing technology as a means of attaining what the United Kingdom's (UK) Department for International Development (DFID) would perhaps classify as Value for Money (VfM). We lightly borrow from DFID's approach of VfM: broken down as i) economy - right cost; ii) efficiency - spending well; iii) effectiveness - spending wisely; iii) equity - closing divides among various players (for instance gender, geography) (DFID) to contextualize and interrogate the outcomes being pursued under Zambia's Electronic Government Procurement (e-GP) agenda. The public procurement sector is also alive to transparency, inclining to consider e-procurement as a means to enhancing transparency.

Launched in July 2016, the e-GP is meant to '*enhance efficiency and transparency*' of public procurement by streamlining procurement processes and tightening controls on spending. The e-GP introduces Information Technology (IT) in the procurement system including web- based procurement portal, *e-bidding*, *e-purchasing*, and *e-Contract management*. It is driven by the Zambia Public Procurement Authority (ZPPA), also referred to as the '*Authority*' in this

dissertation), which is anchoring the procurement component under the Public Finance Management Reform Programme (PFMRP).

The PFMRP is financed through a Multi Donor Trust Fund in which the United Kingdom's (UK) Department for International Development (DFID), Finland and Germany are participants. It is implemented by the Government of the Republic of Zambia (GRZ) through a dedicated unit in the Ministry of Finance (MoF). The World Bank (WB) is the programme administrator; responsible for Technical Assistance (TA); carrying out controls and fiduciary oversight over participating donors. Guided by the Public Procurement Act (PPA) No.12 of 2008, the ZPPA controls and regulates public procurement in Zambia. Under the PFMRP, the Authority is implementing reforms aimed at strengthening its oversight and regulatory role in public procurement. The development and adoption of a nationwide *e-procurement system* is lined up as one of the key reform initiatives. Seven (7) selected Ministries, Parastatals and Spending Agencies (MPSAs)¹ are participating in the pilot. MoH is one of the participants in this two - part process which includes: i) a pilot implementation phase and ii) the full roll out of the system to the public procurement sector.

Among the outcomes ZPPA anticipates from the e-GP are: *i) increased transparency, ii) widened participation of geographically spread bidders in procurement, iii) reduction in unethical conduct of procurement entities (PEs) and bidders; iii) improved contract management; iv) improved efficiency –reduction in evaluation time and v) reduction in the use of paper in the manual process (ZPPA ((?)).*

In the health sector, public procurement is critical in ensuring that essential drugs and medical supplies are available timely for users, and as close as possible at the point of need. Procurement is thus directly linked to health outcomes. This study generally attempts to understand how e-procurement is or is not being used to respond to some of the long standing institutional challenges of procurement in the health sector supply chain, such as: limited accountability due to participation of multiple actors; expiries and drug stock- outs; leakages across national borders; corruption; increased drug debt burden and weaknesses in the storage and distribution system.

¹ MoH, Ministry of General Education, Compensation House in Ndola, Muchinga Provincial Administrative Office, Ndola City Council and ZPPA

1.2. Purpose of the Study

This study examines the extent to which the newly introduced (*pilot*) Electronic Government Procurement (e-GP) is answering to the institutional procurement limitations; bordering on VfM and transparency in Zambia.

We take the case of Zambia's Ministry of Health (MoH), specifically zeroing in on some key bottlenecks in the procurement of essential medicines and medical supplies to understand the implications of introducing technology in the procurement process; in a sector that is close to the care of multiple stakeholders: citizens, the polity, bureaucracy, development and business partners.

1.3. Statement of the Problem

Procurement Audits from Zambia's various Ministries, Parastatals and Spending Agencies (MPSAs), as well as the office of the Auditor General (AG) show general lack of compliance to procurement rules and procedures (World Bank, 2014:16).

Within the health supply chain, procurement challenges are multiple and multi-faceted and include: - heavy handedness of the MoH in selection, quantification and procurement; limited accountability due to participation of multiple actors; expiries and drug stock- outs; increasing drug debt; leakages across national borders; corruption; increased drug debt burden and weaknesses in the storage and distribution among others (EU, 2015 and NSCS, 2014). Fortunately, there also seems consensus on the solutions to addressing most of the identified challenges, as evidenced by recommendations from various analyses, such as the (EU 2015, *ibid*) and (Thim P / MoH, 2015).

Yet, there is a general phenomenon that requires unpacking: - actions leading to implementation of the stated objectives or analyses do not often flow according to plans. They either stall, progress slowly or are simply abandoned while new interventions are continuously being introduced. In fact, Zambia is renowned in development circles as a country with perfect plans that are hardly implemented.

Deferred or dragged implementation of strategic decisions such as the transfer of the procurement function from MoH to MSL while other reforms that seem to change only the *form* and not the *function* of the organisations or '*rules of the game*' prompt interrogation. Would the

e-GP fall into a similar conundrum? Could this phenomenon be suggestive or characteristic of ‘isomorphic mimicry’? (North, 1990; Andrews, 2013).

We attempt to explore the extent to which policy and strategic imperatives stir or constrain realisation of the stated objectives, particularly those bordering on the procurement function.

This study recognises that the reasons behind obstacles, decisions or lack of decisions or implementation failures are often complex and multiple and may not only necessarily reside in the implementing or sponsoring agencies but, could be spread across the spectrum of stakeholders, and underpinned by the political economy surrounding the reforms. We explore possible answers from as many dimensions and stakeholders as possible, while focusing on the Design and Pilot implementation phases of the e-GP.

1.4. Research Question (s)

The study interrogates the extent to which the e-GP design and pilot considers the institutional and contextual challenges of the procurement of essential drugs and medical supplies.

To what extent is the e-GP addressing the procurement challenges [for essential drugs and medical supplies] in the MoH?

The study poses the following hypothesis:

The implementers of the e-GP within the MoH adopted it, not as a means to better address their procurement challenges, but in order to win legitimacy from external stakeholders – without actually addressing / confronting the underlying interests and incentives which shape how procurement is implemented in practice. The result was ‘isomorphic mimicry’ – with implementation seemingly moving forward, but with few if any of the actual challenges of procurement being addressed.

The rest of the dissertation is arranged as follows: Chapter two presents the literature review; Chapter three describes the research methodology; Chapter four presents the research context, through a historical timeline of Zambia’s evolving de jure and defacto system of procurement, in the absence of e-GP. Chapter five discusses the research findings, taking a specific focus on MoH’s implementation of the e-GP. Chapter six briefly presents the study implications and conclusion.

1.5. Contribution of the Study

It is envisaged that this study would contribute to: i) unpacking what constitutes success in complex reform contexts or scenarios ii) how to define success or problems when confronted with wicked development problems iii) informing forward thinking or packaging of similar reform agenda.

2. CHAPTER 2 LITERATURE REVIEW

2.1. Introduction to Chapter

This chapter provides definitions and foundation of significant developments in public procurement, taking a deep dive into e-procurement as a procurement method and envisaged benefits or outcomes. Where possible, reference is made to examples of where and / or when the e-GP has been successfully used to resolve challenges in public procurement. The chapter also shades light on some enablers and constraints to reform of public procurement in developing countries, with a focus on Zambia.

2.2. Background to Procurement Reforms

Prior to 1995, most developing countries' procurement systems were based on old pieces legislation inherited from the colonial era. Following the African Development Bank (ADB) procurement conference held in Ghana in 1998, countries agreed a reform agenda, aimed at ensuring that their procurement systems conformed to international standards. A standard baseline including: reforming laws and regulations; creation of a procurement regulatory authority; training of a professional cadre and structural institutional arrangements informed the reform agenda (OECD, 2005). "It is therefore unsurprising that the definition of the reform agenda, components of reforms, or stages of reforms among African countries is not different" (Basheka, 2009).

The creation of public procurement regulation authorities in Kenya, Nigeria and Uganda out of organisations that previously existed as Central Tender Boards is an example of the uniformity in reforms that countries undertook (Basheka, *ibid*). Zambia's ZPPA was also created after abolition of the Zambia National Tender Board (ZNTB). Consequently, new legal reforms to pave way for structural and functional changes in the new ZPPA were undertaken (ZPPA website). The reorganised authorities have been responsible for leading on subsequent reforms and providing capacity development support to other public agencies in respective countries (Basheka, *ibid*).

Despite several years of reform, the Zambian procurement system is still work in progress, necessitated by several factors in the context. For instance, the 2016 constitutional change

triggered changes to other subsidiary legislation which have a bearing on the Procurement Act of 2008. In the same vein, e-procurement is an example of a strand of procurement reform which the country has embarked on, arising out of the current procurement context but is not reinforced by the law.

2.3. Defining and Contextualising e-Procurement

Early and recent works in procurement regard e-procurement as the “*integrated use of web-based processes in the conduct of all of the purchasing process...*” (Croom and Brandon-Jones, 2007); and or simply “*... the process of providing goods and services using technology*” (Weele (1994).

Lee (2010: 407) distinguishes between e-government and e-procurement. E-government is much wider and includes the relationship between government as a service provider and the citizens as customers of public services, while e-procurement involves the relationship between governments as buyers and companies as suppliers, mainly for the purposes of reduction of administrative costs and achieving quality of public goods and services. E-procurement arguably thrives in contexts where e-government systems are strong.

Recently, e-procurement has been on countries’ reform agenda. Zambia’s ZPPA considers e-procurement as a means of achieving VfM, transparency and corporate compliance among others. This is discussed further in Chapter 3.

2.4. Benefits of e-Procurement

Five key themes are cited in literature as being the benefits of e-procurement: i) changes to total acquisition costs; ii) changes to organisational characteristics; iii) changes to governance structures; iv) system specifications and v) implementation management (Bruno, Esposito, Mastroianni and Vellutino, 2005).

Reduction in acquisition costs has been cited as benefit of e-procurement. Computerisation and cutting down of procurement related tasks saves time for procurement staff / organisations, which time can be allocated time to other strategic tasks. Making available a wide selection of suppliers or bidders is another benefit of e-procurement. The wide and broad network of suppliers and bidders fosters healthy competition, which could lead to price reductions. The use of electronic

systems makes management of information and records simple². Because purchase information is stored electronically, organisations can analyse both costs and spending patterns easily. The potential to cut out middle persons or intermediaries in the procurement process is another benefit of e-procurement (Kheng and Al- Hawamdeh, 2002: 65). These benefits broadly fit into the classification of e-procurement contributing to realisation of VfM.

Providing all bidders **equal opportunity** to compete for the bidding process is one of the prospects of the e-GP which literature and proponents cite (Kheng and Al- Hawamdeh, *ibid*). But for the benefits of e-procurement, especially in the acquisition of public goods and services to be realised by all stakeholders, technological infrastructure such as websites should be available. The infrastructure should also be accessible and useable, *i.e* designed in such a way that non-computer science specialists or persons with disability can easily access them). For both access and use to be achieved, (Bruno, et al, 2005) and (Croom and Brandon- Jones, 2007), argue against separating the two concepts of acceptability and usability because they are complimentary and not independent of each other.

E-procurement provides an opportunity for open and effective processes for **sharing information** across stakeholders in a transparent manner. **Openness or transparency** of processes in the context of procurement minimizes the risk of fraud and corruption while transparency enables stakeholders to understand the actual means and processes by which public contracts are awarded (Croom and Brandon -Jones, 2007; Auriol, Straub and Flochel, 2015).

E-procurement has prospects of **improving the relationships** between citizens and governments through transparency for the administrative action and participation of citizens (Croom and Brandon -Jones, 2007). Croom and Brandon further found that e-procurement contributed to changes in the governance characteristics of organisations. However, the sustainability of the changes to governance characteristics requires that principles of ethics and integrity are embedded in citizens and that the context provides citizens and other stakeholders the space and freedoms to demand for accountability (Basheka, 2006).

² <https://www.worldbank.org/en/news/feature/2018/09/05/how-rwanda-became-the-first-african-country-with-an-electronic-procurement-system>

2.5. E-procurement Adoption and Implementation

Literature depicts progress in terms of use and adoption of various forms of technology in the procurement cycle (Bartels et al 2006:6). Research also suggests a desire by government entities to adopt both e-government and e-procurement (McManus, 2002). But the scale of adoption and implementation of e-procurement in most countries has not matched the forecasts predicted by various stakeholders (Croom and Brandon-Jones (2007), not only because e-government is least developed but also other reasons largely associated with **countries' political economy**.

Lee (2006:407) offers a **political economy lens to the e-procurement** discourse and practice. The proposition is that e-procurement systems in government should be evaluated as *"aspects of political and economic agendas more than as technical problems"*. Indeed, a review of procurement reforms found that **"support from the highest political levels"** *"is the first step to the success of the reforms"*. Political will signals and assures government's commitment to the reform agenda (Lee, ibid).

In an analysis of Zambia and Bangladesh, Levy; (2014:82) notes that Zambia is a personalized competitive economy in which ***"rents, capture and allocation is integral to the political processes."*** In this set up, systems appear stable not because of observance to the formal laws, regulations or procedures but because the interests and incentives of various actors are consistent with those of the various actors. The dysfunctional nature of the governance systems manifests in how often **informal rules prevail over formal** arrangements. Implicitly, the interests and incentives of various actors in the procurement process often shape and /or contribute to the outcome of the reforms (*i.e. laws, guidelines and regulations*) and ultimately practice or implementation (Levy, ibid).

The **perverse interests and incentives** perhaps explains why despite good plans and intentions, Zambia has a poor record of implementation of formal policies; an example of what could be characterised as isomorphic mimicry: *"...- that is, governments and organizations pretend to reform by changing what policies or organizations look like rather than what they actually do"* (Andrews et al 2012: 12).

In what is considered as strong political will to drive reform at various levels, Rwanda has set the record of being the first country to achieve **nationwide roll-out of e-procurement** in a short time span. The success of the Rwanda case can be seen through the amount of commitment dedicated by Rwandese officials to the programme. Though Rwanda commenced its e-GP later than Zambia,

its e-procurement - UMUCYO, which means “*Transparency*” in the local language,” has recently received World Bank recognition and it is described as ‘*a first*³’.

Like technology in general, e-procurement growth seems to have outpaced the growth of legal processes. Most countries have been relatively late in devising legislation and regulations to govern e-commerce (Kheng and Al- Hawamdeh, 2002). Zambia is not peculiar to this scenario. In fact, the 2008 PPA does not provide for electronic procurement. However, there are plans to have e-procurement legalized in the proposed amendment to the PPA 2008 (*2017 unofficial version*).

The factors that influence or lead respective government entities to choose e-procurement over other forms of procurement methods appear varied and little understood. Dooley and Purchase (2006: 460) conducted research into some of the factors influencing the choice of e-procurement usage in Australia. They found that major suppliers’ “*willingness and future plans to transact online*” serve a key role in the acceptance and utilisation of e-procurement systems. Dooley and Purchase’s (ibid) research further highlights the importance of organisations **including their major suppliers** in all phases of e-procurement development; and in communicating the benefits likely to accrue to them using e-procurement systems. They show that e-procurement success is not only dependent on internal systems but on nurturing external relationships with buyers and suppliers.

Lee, Jung (2010:407) compared Korea’s case of e-procurement with those of the U.S, Australia and New Zealand. The comparison revealed that e-procurement was largely developed and used in countries which have adopted **central supply methods** such as US and Korea. It was less adopted and developed in Australia and New Zealand which have adopted **dispersive supply** methods Lee, (2010:407). The less usage of e-procurement in dispersed procurement contexts broadly seems like Uganda’s early experience with e-procurement in the mid-1990s. The e-procurement had been driven by Uganda’s Public Procurement and Disposal of Public Authority (PPDA). While the PPDA had improved its website in readiness for e-procurement use, it was said to have encountered challenges of “*persuading most entities to place on the website their bid opportunities, notices of best evaluated bidder and contract award and other statutory information*” (Agaba and Shipman (?): 384).

³ http://news-af.op-mobile.opera.com/news/detail/21b5a9d8865b97aeedd7e4c8cb8cb620_zm?share=1&country=zm&language=en

Researchers note the **complexity of shifting entrenched practices** in procurement, especially those relating to 'human deficiencies and faults (i.e. corruption and inefficiency) in the implementation process (*in* Croom and Brandon -Jones, 2007). A Case study of e-commerce in Taiwanese military procurement (Liao et al 2003) concurs with the challenges of corruption, lack of qualified staff, abuse of public funds and weak transparency encountered in e-procurement implementation. However, this finding contrast slightly with Rwanda's experience, where roll- out of e-procurement in the entire country has been done in just under two years; and already gains of minimal corruption are being cited. Apart from political will, the success of the Rwanda project could partially be attributed to the fact that there was calculated investment in the both hardware and software mechanisms of the project. The hardware included providing equipment for the data centre while there was capacity building targeted at various categories of stakeholders. From the inception, the project was integrated into the national budget system and procedures.⁴

2.6. Conclusion

Literature suggests that e-procurement has potential to add value to public procurement processes and outcomes. With the right mix of both software (*i.e politics, formal and informal rules*) and hardware (*IT equipment*) aspects, e-procurement can be utilised to streamline processes in order to: improve document storage and retrieval; reduce time and costs spent on laborious processes; achieve transparency; mitigate corruption, increase participation of actors in the procurement processes; enhance equity of opportunity among bidders. Put together, the foregoing contributes to realisation of VfM. Deriving the best outcomes from e-procurement is not only dependent on these factors, but on implementers paying attention to the political economy of reform and ensuring that the new systems align to existing national budgeting procedures. Rwanda's e-GP [UMUCYO], emerges as an example of what success of a nationwide e-procurement system could look like.

⁴ http://news-af.op-mobile.opera.com/news/detail/21b5a9d8865b97aeedd7e4c8cb8cb620_zm?share=1&country=zm&language=en

3. CHAPTER 3 RESEARCH METHODOLOGY

3.1. Introduction to Chapter

This chapter discusses the study's methodological approach: including sampling, data collection and analysis. It concludes by reflecting on some of the study limitations and ethical considerations.

3.2. Characteristics of the Study Design

The study is explanatory and descriptive in nature. We interrogate factors typifying the procurement component of the PFMRP, zeroing in on the e-GP. The time frame the study considers is mainly around two key phases of the e-GP reforms: - two phases *i.e.* Project conceptualisation and pilot implementation.

Throughout the study, flexibility and openness to the possibility of modifying some questions as information or answers on the subject became available or clear from implementers, donors, or other key stakeholders was retained. However, the main research question remained constant.

3.3. Study Area

Because most of the stakeholders in this study are based in Lusaka, it became the default study area. A brief interview was held with the World Bank's Washington based (World Bank Task Leader) while on Mission in Lusaka in November 2017. The initial proposal had been to extend the study to a Provincial Centre in MoH such as Ndola. However, the idea was abandoned when it became apparent that no procurement activities utilising the e-GP had taken place at the decentralised level within the MoH.

3.4. Sampling

Informants were purposefully selected, based on a range of criteria: closeness to the project or experience with the reforms, power or influence over procurement or general reforms, job categories or historical background (Ritchie and Lewis, 2003); or decision making or authorising powers (Andrews, 2013). Sometimes public servants have to go against the norm in order to perform certain functions; referred to as 'positive deviance in literature (Andrews, *Ibid*) and (Ritchie and Lewis, 2003). Thus, we included one stakeholder from another PE – Ministry of General Education (MoGE). The Head of Procurement (HoP) within MoGE was particularly

perceived by ZPPA staff as a positive deviant. In order to triangulate information obtained from other key informants, interviews were extended to critical stakeholders in the procurement sector as they were suggested by informants. For instance, we had to broaden informants in MSL twice; four times in ZPPA; and five times in MoH from the time the first interviews were conducted. It was proposed that the final interviews be conducted with the DG for ZPPA and with the new Permanent Secretary (PS) responsible for Administration in MoH. The ZPPA DG declined the interview, while effort to schedule appointment with PS was abandoned on the third attempt.

3.5. Data Collection and Data Sources

Primary data was obtained through interviews with informants who included staff in the lead implementing organisations and key stakeholders: - (The World Bank (WB), ZPPA, DFID, MoH, MSL ZIPS, Transparency International Zambia (TIZ), Mission Pharma Ltd, Hon. Anthony Mumba and in MoGE. Secondary information was obtained from administrative data comprising of reports (Quarterly, Bi-annual or Annual; Mission Supervision Reports, Evaluation etc.); Memoranda of Understanding (MoU), newspaper articles, presentations, journal articles and research studies available mainly online.

3.6. Data Analysis

Using key informants' detailed narratives and corroborating it with administrative information, we teased out *what was* happening and *why* at respective moments in time. The iterative data collection processes described in the previous section fed into data analysis; providing answers or "maps" to various questions or opened up new "mines" of inquiry in some instances (Ritchie and Lewis, 2003).

Midway through the data collection, feedback from some stakeholders was provided to ZPPA, because ZPPA had expressed interest to understand how the PEs were settling with the e-GP. This feedback was well received and ZPPA pointed us to more stakeholders who could possibly add their perspectives, widening the number of stakeholders to triangulate information.

3.7. Possible Ethical Considerations

The e-GP is partly funded by my employer, DFID Zambia through the PFMRP programme. Though I have not until this study been close to the project, I am preview to some of the disquiet that colleagues working on the project have on what they consider as a blanket approach to fixing identified challenges generally in the public sector. During this study, I have tried to watch against possible bias by keeping myself in constant check and corroborating views with multiple stakeholders.

Secondly, several respondents agreed to be interviewed as part of the study but requested anonymity in the main report findings. While every effort has been made to ensure that their confidentiality is protected, achieving total anonymity is complex, given the narrow landscape of the procurement sector in the country.

All errors and omissions are the total responsibility of the researcher.

3.8. Study Limitations

We were not able to speak to the two controlling officers in ZPPA (DG) and MoH (PS – Administration). Their insights and views on the project would have been critical for the conclusion of this piece of research.

Lastly but not this least, it is imperative to place on record the challenge of gathering information to evidence the claims made in this study: - i) it was not easy to secure interviews with stakeholders, especially in the public service or former public service employees. Part of the reasons for the hesitation in giving interviews are discussed later in the research findings; ii) Obtaining written documentation or correspondence on public procurement was near to impossible. Zambia has no access to information legislation, which could ideally ease information gathering to those that seek it; iii) With respect to information from the media, mention need be for the narrowness of Zambia's media landscape, which has become polarized, and affected corruption -related reporting (Monteith, C and Ough, O 2017: 9). Narrowness of the landscape seems more apparent given the void left by the former Post Newspaper limited after liquidation⁵ and⁶, which appears not to have been filled by the existing media outlets (dominated by the state

⁵ <https://www.zambianobserver.com/edgar-lungu-buries-the-post-newspaper/>

⁶ <https://diggers.news/courts/2018/01/17/mmembe-challenges-post-liquidation-sues-zra/>

owned). For example, the Post Newspaper Online Archives which had partly informed (Roberts and Vhilakzi's study on procurement rigging in the agriculture sector, and widely referenced in this study are no longer available online).

4. CHAPTER 4 ZAMBIA'S EVOLVING SYSTEM OF PROCUREMENT

4.1. Introduction to Chapter

This section discusses Zambia's evolving de jure and defacto system of procurement, in the absence of e-GP. It is divided in three sections where the first section lays out Zambia's political economic context of reforms; the second section presents the de jure system of procurement while the last section discusses the defacto system of procurement.

4.2. The Political Economic Context of Reforms in Zambia

Zambia has progressive public sector policies but little to demonstrate in terms of implementation or improving the lives of ordinary citizens. For example, the Vision 2030 was conceived in 2006 and sets a goal for Zambia to become a "prosperous middle –income nation by 2030". The socio-economic objective of the vision includes annual economic growth and significant reduction in poverty levels while delivering education and health for all. The vision advocates "*devolved political systems and structures.....*" (GRZ, 2006:2)." However, the extent to which this vision is executed remains questionable. The five-year National Development Plans (NDPs) were re-introduced in 2006 and should ideally support the realisation of the vision. The NDPs are meant to be implemented through decentralised structures stipulated in the Decentralisation Plan of 2002; (and revised in 2013). But decentralisation has hardly taken off, though political rhetoric states otherwise.

The competitive, personalized political settlement, characterised by centralised power and patronage is the main factor constraining genuine and long-term commitment to development in Zambia. Dejure and defacto power is centralised in the executive; with the president leading, surrounded by selected few gate keepers to his office. It is a widely held view that most controlling officers in MPSAs or heads of Parastatals are political appointees, loyal to the party in power. Political rules are largely personalized and patronage based. There is weak separation between the public and private spheres and informal rules often triumph over the formal, legal or regulatory processes (Heinfelaar, 2018; Cheesman, Simutanyi and Yezi, 2015; Levy, 2014).

Despite several constitutional review processes aimed at limiting presidential prerogative among others, change has been elusive.

Elites are critical in Zambia's political settlement, because they are beneficiaries to a rent system, which has been sustained by consensus of peaceful exchange of power. Key national decisions are often arrived at through intra-elite bargaining rather than formal procedures or institutions (Levy, *ibid*; Cheesman et al, *ibid*).

While regular elections are held, with genuine competition and power changing hands, politics is fragmented. Moreover, politics is not based on any distinct ideology. This coupled with the winner takes all approach encourages political party factionalism; with politicians often crossing from party to party. The party in power is often preoccupied with retaining power and silencing alternative centres of power. Although the threat of being voted out of power is real, the nature of politics limits participants' ability to concentrate on long term development outcomes; frequently focusing and settling on short term policy deliverables; vote winners (Hinfelaar and Simutanyi, 2018).

Politics is thus an avenue to rents and rewards: business opportunities; government contracts and /or jobs; a way of political parties taming their members; buying off political opponents; and / or winning supporters. Sources of rents have evolved since the one-party era from copper nationalisation during the first republic under Kaunda; privatization of Parastatals and land in the second and third republics; and a combination of land and political 'entrepreneurship' in the current regime. Under the one-party regime, rent distribution was highly centralised. But there are indications that the distribution of rents has become decentralised over time, thereby increasing rent seeking, much to the benefit of individual political entrepreneurs turned 'tenderpreneurs' (Hinfelaar and Simutanyi, 2018; Levy, 2014).

This primacy of procurement in rent distribution within the previous and the current political establishment and the wider public service is acknowledged and is perceived as increasing. The rise in the number and expenditure on public infrastructure projects which the current government has embarked on since coming to power in 2011 seems to have contributed to the escalation in procurement related malpractices (TIZ, 2018; Zambia; Daily Mail, 2017; Diggers 2018⁷).

⁷ Mwenda, J (2018) "Court convicts Brian Chituwo over CDF" Diggers. Aug 31: <https://diggers.news/courts/2018/08/31/court-convicts-brian-chituwo-over-cdf/> accessed 02.09.18

But a political system such as the Zambian one can only remain stable if it is seen to be inclusive and the elite consensus against violent political mobilisation remains unshaken. Yet, following the tight 2015 presidential bi-election and the 2016 general election, there have been signs that the political settlement is cracking, evidenced by increased levels of political violence before and after elections and increased tensions between the ruling PF and opposition United Party for National Development (UPND), reinforced by ethnic / regional political rhetoric and associated voting patterns.

4.3. Part A: Zambia Evolving De Jure System of Public Procurement

This section looks at Zambia's evolving de jure system of public procurement, tracing its roots from the early 1990s to date. Suffice to mention that the procurement system has benefited from a mix of several years of financial and technical support of donors. Though the structure of the de jure system has transformed from what it used to be in the early 1990s, it is still work in progress, with further amendments to the legislation imminent.

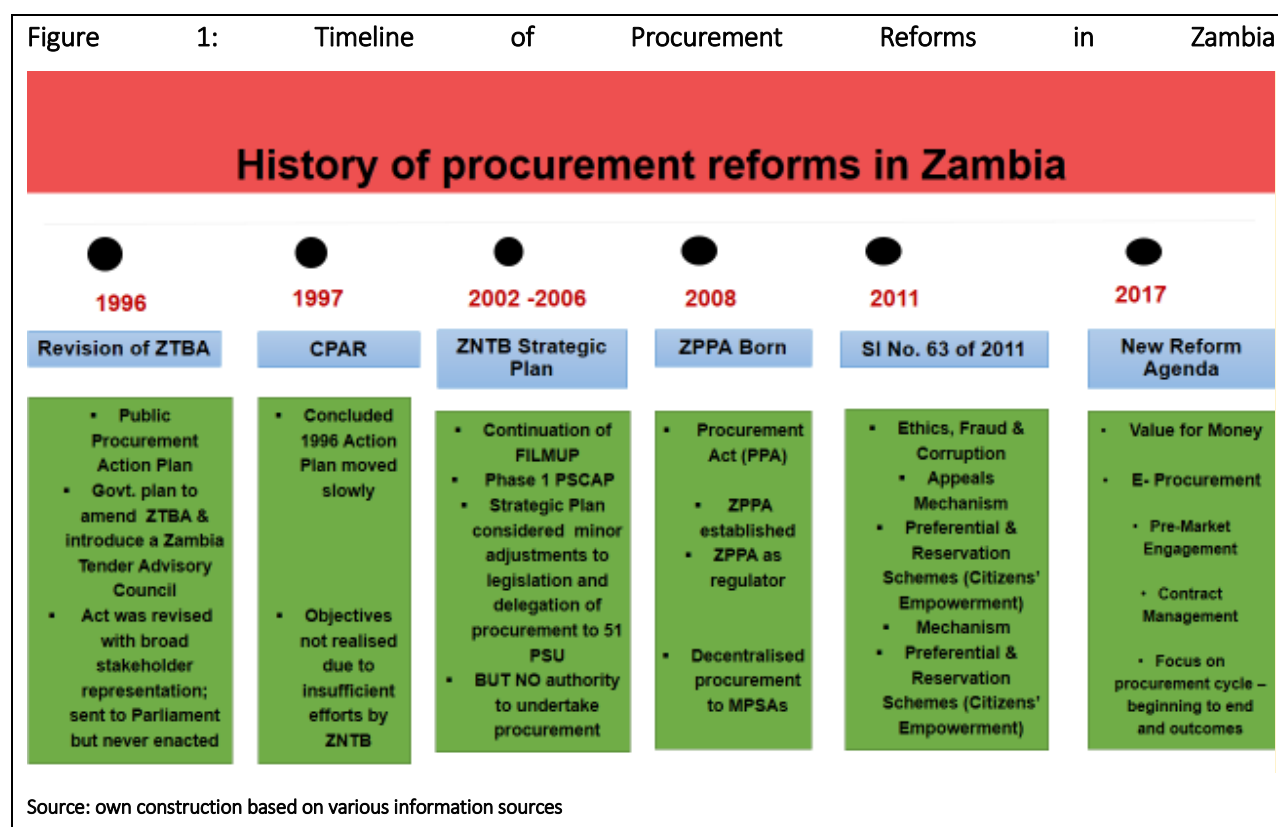
4.3.1. Brief History of Procurement Reforms

Prior to the reform era, Zambia's procurement system was like that of many countries, formerly colonized by Britain. Small value procurements were centrally done by the Zambia National Tender Board (ZNTB) while high value procurements were undertaken by the Central Tender Committee (CTC). While the central tender board assured consolidated control on all purchases, it was inefficient in that it could not meet the pace of procurement, often resulting in backlog, among others. This partly informed the reform agenda that was to follow.

The early 1990s was reform packed with several of Zambia's cooperating partners having contributed. Support was not always specific to procurement but often within the broader PFM framework. Among the donors that supported the reforms are: - i) the World Bank through the Financial and Legal Management Upgrading Project (FILMUP); ii) The Swedish International Development Agency (SIDA) provided technical support and training in import management for selected public officials including those from ZNTB (World Bank, 1993);⁸ iii) and In mid 1990s, the

⁸ <http://documents.worldbank.org/curated/en/103431468168565106/text/multi-page.txt>

World Bank's Public Sector Capacity Building Project (PSCAP) supported the Office of the Auditor General (AoG) in ensuring sound financial management.



In 1996, GRZ drew a Public Procurement Action Plan, which among others planned to : i) amend the ZNTB Act and introduce a Zambia Tender Advisory Council; ii) improve the procurement capacity of the Procurement and Supply Units (PSU); iii) delegate authority to PSUs, so that MPSAs and Parastatals could carry out own procurement and iv) professionalise and motivate procurement cadre.

Despite the many years of reform effort, there was limited progress to point to (World Bank, OECD, 2007). The World Bank conducted a Country Procurement Assessment (CPA) in 1997, which confirmed challenges in public procurement. With regards to legal reform, it was found that though the proposed 1996 Act was revised with broad stakeholder representation and sent to Parliament, it was never enacted. ZNTB was said to be overly focused on its procurement role, while neglecting its regulatory role.

Following the change of government in 2001, a reform window opened with further reforms aimed at escalating the 2000 GRZ's Public Sector Reform Programme (PSRP) proposed. The PSRP was aimed at improving service delivery. Within the PSRP, there was a lot of continuation of the 1993 Procurement reforms which had been initiated under the Public Sector Capacity Building Project (PSCAP). PSCAP had functioned until 2004 when it was split into the following three (3) reform components: i) Public Expenditure Management and Financial Accountability (PEMFA) ii) Public Service Management Programme and iii) Decentralisation Programme.

Some ex-post assessments of the procurement reforms in Zambia allude to "lack of ownership from implementers" caused by inadequate inclusion of stakeholders in the planning phase. Stakeholders point to lack of capacity explained as (low staffing, poor technical skills, and inadequate equipment) and resistance to change among officials as some of the barriers to reform (OECD, 2007).

Consequently, a strategic plan (2002 and 2006) meant to bring changes to the legislation and gradual delegation of procurement authority to some PSUs was developed by GRZ, with donor support. Backed by international law, there was a call for ZNTB to relinquish its procurement role and focus on regulation. Ultimately, ZPPA was formed in 2008.

4.3.2. Procurement Laws and Regulations

Zambia's formal system of procurement, drawn from the constitution through to the PPA and the procurement guidelines is generally considered to be enough to support the running of a robust public procurement system. There are however a few areas of the PPA and the guidelines which require enhancing so that they respond to current discourse and practice in the sector. For instance, the appeals process / conflict resolution has remained a sticking point.

i) Earlier Reforms

Earlier regulation was deficient because it did not provide for sanctions and was silent on the timeframe for disposing of complaints. The allowable complaints were also limited to those between the Tender Committee and the Contractor. Further, the involvement of the Board in procurement decisions through the Central Tender Committee (CTC) contradicted with its role of conflict resolution.

ii) 2008 - Repeal of ZNTB Act 394

The second-generation reforms occurred in 2008, though preparations and processes commenced earlier, under predecessor reform programmes. Three factors seem to have informed the changes during this era: i) the need to enhance transparency and accountability and the Zero Tolerance to Corruption policy; ii) Government policy to decentralise procurement operations and iii) a response to a Common Market for Eastern Southern Africa (COMESA) directive on procurement which required member States to reform their procurement legal frameworks in order to conform to the UNCITRAL Model Law on Procurement (ZPPA, 2018).

Following the 2008 reforms, the ZPPA decentralised procurement functions from the centre to line MPSAs and began to function as a regulator, responsible for

“policy, regulation, standard setting, compliance and performance monitoring, professional development and information management and dissemination....” (PPA 2008, Part II: 6(1)).

But ZPPA retained the role of approving procurements conducted through direct bidding – through providing “no objections” to the concerned MPSAs.

But recently, there has been some claw back on the provision of ZPPA approving direct bid, firstly through Circular No. 3 of 2017 and the proposed Procurement Amendment Bill of 2017 (*discussed in the defacto section*).

The 2008 reforms are also credited for developing standard bidding documents and initiating a scheme to train a cadre of procurement professionals. A Code of Conduct for procurement professionals was put in place. The Code of Conduct aligns with key legislation: PPA, 2008; ACC Act, 2012; the Ministerial and Parliamentary Code of Conduct and the Public Interest Disclosure (Protection of Whistle Blowers) Act, 2010 (ZPPA) (ZPPA Website).

iii) Statutory Instrument (SI) No. 63 of 2011

Close to two years of implementation, the 2008 PPA saw a revision in 2011, through Statutory Instrument (SI) No. 63, which elaborated the procurement guidelines. Among others, SI No. 63 provides for preferential procurement to Zambian citizens. The Citizens’ Economic Empowerment Act (CEEC) 2006, divides firms into three categories according to the shareholding, including

citizen-influenced (5-25% owned by locals), citizen-empowered (26-50% owned by locals) and citizen-owned (50-100% owned by locals)).

SI No. 53 also provides for the creation of an independent appeals body. The appeals mechanism enables bidders who are aggrieved by a procurement process to appeal to the regulator “*within 10 working days of the decision or stage of the procurement proceeding to which it relates....*” (No. 167 and 170) of Procurement Regulations 2011. The guidelines (No. 167 to 172) also address corruption and fraud, providing to sanction or bar a firm or individual bidder who engage in fraudulent acts, as defined in Sections 65 to 67 of the 2008 PPA.

iv) New Reform Agenda

Since 2010 when full implementation of the PPA commenced, some gaps have been identified in the Act such as: i) conflict with other pieces of legislation, *i.e* i) the National Council for Construction (NCC) Act; ii) lack of a central body to deal with high value procurements; iii) Weak or no provision for e-procurement as a bidding method; iv) a weak appeals process and v) lastly but not the least, other pertinent issues which include: a poor focus on value for money; contract management and focus on monitoring procurement through their entire cycle.

Paradoxically, SI No. 61 (4) of the 2011 guidelines almost runs contrary to the spirit of e-procurement. It states that

“...bids shall only be received electronically or by other means which do not permit signed, sealed bids, if authorised by the Authority through public procurement circulars.”

ZPPA recognises the need for resources and attention to be dedicated to pre-market engagement and contract management; and focusing on procurement outcomes as means of adding value to the procurement process (ZPPA, 2018). However, it is not clear how much of this thinking is reflected in the proposed revision of the PPA, whose access has been guarded.

4.3.3. Procurement Organisational Structure

i) Organisational structure under ZNTB

The ZNTB Act provided for a Board of twelve (12) members (7 of them ex -officio) all appointed by the President. The Act also provided for the establishment of i) Central Tender Committee (CTC) within the ZNTB and ii) Tender Committees in Provinces, Ministries, Parastatals and Spending

Agencies (MPSAs). The tender committees had mandate to authorize the procurement of goods and services whose cost was below the entity's financial threshold (OECD, 2003). The CTC met once a week to review and approve issues brought before it by the secretariat. Issues of concern included: "i) tenders of a value that removed them from the decentralised tender committees' authority; ii) approval of waivers and rules, and iii) approval of variations to approved contracts" (World Bank, 2003 P:3).

There was one key observable tension in the operations of the CTC. While it examined and authorized "procurement of goods, works and services in both government and parastatal bodies above specified monetary thresholds, it also functioned as a Board". The line between the CTC and the ZNTB was thus arguably blurred, with some members belonging to both (World Bank, *ibid*). Further, the CTC and the ZNTB shared the same location and secretariat. Funding for the ZNTB was drawn from an appropriation of funds by the Ministry of Finance.

ii) Organisational Structure under ZPPA

ZPPA is headed by a Director General (DG), a public service officer who is appointed by the President and reports to the board. The Board is chaired by the Minister of Finance (MoF). The decentralised set up under the Act allows MPSAs headed by a Controlling Office or Chief Executive Officer, to act as Procurement Entities (PEs) within their jurisdiction. An inspectorate unit exists to monitor performance of the various public entities (PPA, 2008: *Part III (11 -24)*). The extent to which the unit manages to monitor performance and compliance of PEs is not known. Since 2011, ZPPA has seen frequent changes of DGs and senior staff, which could impact negatively on the institutional memory and learning.

A particular disconnect in the structure of procurement in government is the fact that there is no single procurement professional official bears the responsibility of procurement

"So, if I am a finance person in any ministry, I report to PS practically, but I report to the accountant general professionally. So, if I have a problem with my PS, for instance, who is the chair of the tender committee, then I need to tell my accountant general but believe it or not, in procurement, there is no such position. So, the procurement personnel in government actually has no father in the procurement process."

4.3.4. Procurement Processes and Methods

i) Processes and methods under ZNTB

The ZNTB Act provided for centralised procurement, using procurement regulations; which were supplemented by procurement guidelines through circulars (formal and informal) issued by the ZNTB. Circulars were issued for formal tenders in the procurement of goods and services and for consultancy services; civil works and informal tenders.

Procurement planning was more evident in donor funded projects and less in government funded programmes. Largely, procurement planning was affected by slow and inconsistent release of funds arising from Activity Based Budgeting (ABB) which the government of Zambia used at the time. While the Act did not explicitly provide for open competitive bidding, it was practically the common method of tendering. There existed a set of guidelines on general conditions for contracts and registration of suppliers. Standard bidding documents were none existent. In some instances, World Bank bidding documentation were adapted and utilised, though not in a consistent manner. Record keeping was weak in MPSAs. A complaints mechanism existed, even though it was deemed as inadequate and almost nonfunctional (World Bank, 2005 and OECD, 2007).

ii) Procurement processes and methods under ZPPA

Part IV of the PPA provides for twelve (12) various procurement methods: open bidding, simplified bidding, open bidding, limited bidding, direct bidding, forced account, community participation, and use of alternative procurement as methods in public procurement supply. But the most two common methods used by the procurement entities are simplified bidding and open bidding / selection. Procurement Entities (PEs) are required to seek prior permission for use of less competitive methods of bidding.

According to the PPA (2008) simplified bidding is reserved for low value procurements of (up to K500, 000) off -the shelf purchases. Selection of the supplier is based on at least 3 competitive quotations. The open bidding procurement method is used for high value procurements, above (the K500, 000) threshold.

The Act is arguably designed to encourage open bidding as it fosters openness and private sector participation. Openness is to be attained through, invitations for bids and adverts in gazette

papers. The newly introduced e-GP is seen as providing opportunity for tenders to be advertised on the ZPPA website's platform.

The minimum floatation period is (4) four weeks for National tenders and six (6) weeks for International tenders. The minimum procurement cycle for public procurement leading to contract award and signature is as follows: minimum – 107 days for National bids and – a minimum – 121 days for International bids (ZPPA website).

Given the barriers that small to medium enterprises face in breaking into markets, governments have sometimes focused or aligned economic or commercial reforms to procurement reforms. The 2008 Act and guidelines therefore provides for preferential and reserved procurement as defined under the Citizens' Economic Act No. 9 of 2006. It is intended to uplift the targeted citizens [emphasis on women and youth, who have suffered economic marginalisation; level the playing field and raise citizens to a position where they can effectively participate in the national economy] (Ministry of Commerce and Industry Website).

4.3.5. Procurement Workforce

i) Procurement Staff under ZNTB

During the ZNTB era, there was limited trained or qualified procurement professionals. The civil service did not have a clearly defined career path for procurement professionals. The salary structure was arguably not matching with the skills and prevailing market conditions. Thus, GRZ's 1996 Procurement Action Plan sought to establish an appropriately trained cadre, who would be deployed and retained across the civil service to meet the needs of the MPSAs.

The 1997 CAR found that GRZ showed limited commitment to the project. But with donor support, close to 600 persons were trained in the Zambia Management Institute of Management (ZAMIM) and Zambia Insurance Business College (ZIBC) between 1998 and 2000. Both ZAMIM and ZBIC offered the UK's Chartered Institute of Purchasing and Supply (CIPS) training and qualification. But this training only went a limited mile in addressing GRZ's public procurement human resource constraints. For instance, GRZ PEs still had 66 vacant positions and close to half of the 91 people employed to undertake procurement work had no procurement training in 1997. Undoubtedly, several people that were trained could not be retained within the public service due to uncompetitive pay structure and unclear career path (World Bank, 2005 and OECD 2007).

ii) Procurement Staff under ZPPA

The roles and responsibilities of PEs and officials are detailed in the PPA. Part III 12 (2) of the PPA prescribes that only persons qualified in procurement can undertake procurement functions, “*in accordance with the Zambia Institute of Purchasing and Supply (ZIPS) 2003 Act.*” ZIPS is the regulatory body on purchasing and supply management profession in Zambia, established through an Act of Parliament No.15 of 2003. It was only around 2008 that the training of a professionalized cadre seems to have been reorganised.

4.4. Part B: Zambia’s Defacto Public Procurement System without e-GP

4.4.1. Introduction

The fact that the legal and regulatory framework anchoring procurement in Zambia is adequate cannot be over emphasized. Yet, translating the legal aspects into practical steps that lead to positive outcomes seems complex. Like other reforms which Zambia has embarked on, implementation of procurement reforms has been particularly slow. Meanwhile, the extent and frequency of legal, regulatory or policy revisions that is undertaken in the name of addressing perceived procurement challenges at various moments in time is striking.

4.4.2. Formal versus Informal Rules of Procurement

Zambia’s experience suggests that formal laws, regulations or guidelines seem to serve more the function of fulfilling laid down procedures than saving government resources prudently; ticking the boxes (Levy, 2014). Though not always manifest, it is the informal rules of the game which take precedence in procurement processes (OECD, 2007). The informality is appears carefully couched in formal façade. For example, despite all the formal procurement procedures, the immediate past minister of Finance recently admitted to the fact that suppliers inflate their prices far beyond market values, suggesting possible collusion between government officials and suppliers.

“Why should one borehole be paid at K40, 000, while a similar one is paid for at K10, 000 but in the same locality? Why should a ream of paper cost so much when supplied to Government but cost less at the market shops “? (Zambia Daily Mail).⁹

While this example suggests that bureaucrats act alone in flouting government procedures in order to get resources for personal gains, the structure of the procurement chain will likely draw in other actors, external to government for a suspicious procurement to succeed.

4.4.3. Claw back on procurement legal and /or regulatory provisions

There have been several instances of government clawing back on legal provisions or agreements, not only in procurement but other sectors, whenever personal interests or incentives appear threatened. Often, the fine details of the basis of the claw back remain unclear. But speculation points to behind the scene lobbying or maneuvers led by those connected to elites in either political office or the bureaucracy (Levy, 2014; Hinefelaar and Simutanyi, 2018).

In addition to the dominance of informal rules over the formal and the general political economy of Zambia which impacts on reforms, there are some specific current happenings in the public procurement context, which have potential to impact on future reform outcomes or reverse progress gained in previous reforms.

i) Rescinding Direct Procurement

The first scenario is what seems to be an indirect withdrawal of ZPPA’s role in approving direct procurement and involvement in governance issues of procurement. This has been done through introduction of Circular No. 13 of September 2017, which essentially revises section B (5) of Circular No. 1 of 2013.

Since 2013, PEs had been required to seek a *“No Objection”* from ZPPA prior to using direct bidding as a procurement method. The governance aspect of the circular restricted participation of Internal Auditors in procurement evaluation, *“so as to strengthen their monitoring role.”* However, the auditors could take part in the evaluation process as long as they were end users to the goods,

I. ⁹ Zambia Daily Mail (2017) *“Government bleeding through procurement”*, 7 Sept: <https://www.daily-mail.co.zm/government-bleeding-through-procurement/>

works or services of the procurement in question, as provided for in the procurement guidelines No. 64 (4) (b) (ZPPA, 2013).

Following changes introduced by Circular No. 13 of 2017, there are seven exceptions or circumstances in which PEs would not have to seek “*No Objection*” from ZPPA in order to conduct direct bidding: e.g. service of motor vehicles on warranty or procurement of certain goods and services not readily available on the market, such as rentals. Further, Internal Auditors may now be appointed to the evaluation or procurement committees, though not as members of the committees but in an advisory capacity to provide the necessary guidance whenever appropriate (ZPPA, 2017).

It appears that the long list of exceptions in circular No 13 grants PEs room to bypass the guidance in order to avoid competitive bidding. Beneficiaries of this change are likely to be people with interests in the procurement outcomes.

ii) High Value Procurement body coming?

The second scenario concerns the ongoing revision of the PPA (2008), where one of the proposed clauses deals with the creation of a central body to look at high value procurements. Controlling officers from key ministries Finance, Health, Education, among others would be part of this body. It appears that government’s intent to have high value procurement centralised is an indirect reaction to the growing decentralization of rent allocation and distribution by elites, especially those with political interests (Hinfelaar and Simutanyi, 2018) as has been discussed in the context above.

4.4.4. Possible use of Procurement in Rent Allocation and Distribution

As earlier stated, the decentralization of public procurement since 2011 (when the 2008 PPA came into effect), has enabled the decentralization of rent allocation and distribution among various actors. This scenario has potential to contribute to factions or alternative sources of power which further has potential to upset the political settlement.

As an example, recent challenges to the presidential establishment have notably been former ruling party stewards, owners of private businesses which at one time or the other could have benefited from public procurement contracts but have fallen out of favour with each other.

Below are three cases of three former ruling PF members who had fallen out with each other or the President since 2015. They have all been accused of involvement in procurement related corruption.

Box 1 ACC Clears Kabimba and GBM of any Corruption¹⁰

"The ACC) has cleared Justice Minister Wynter Kabimbaⁱⁱ and his defence counterpart Geoffrey Bwalya Mwambaⁱⁱⁱ. ACC said that they have found no evidence of corruption against Justice Minister Wynter Kabimba and his Defence counterpart Geoffrey Bwalya Mwamba, commonly known as GBM.

ACC had launched preliminary inquiries into corruption allegations against Justice Minister, Wynter Kabimba and his Defence counterpart, Geoffrey Mwamba following complaints received on the alleged conduct of the two Cabinet ministers.

Mr Kabimba, who is Patriotic Front (PF) Secretary-General, was alleged to have influenced the procurement tender process so that Trafigura would be awarded the tender to supply Zambia with petrol and diesel for one year.

Trafigura was awarded the supply deal at a cost of US\$500 million for the one-year period.

Mr Mwamba was accused of influencing ZESCO to award his company and others where he had interests, a one-year contract for the supply and delivery of wooden poles.

ZESCO intended to award a tender for the supply and delivery of nine, 10 and 12 metre-wooden poles on a year-running-contract basis to several bidders, among them Arizona Marketing and Distribution, which belongs to Mr Mwamba and two of his family members. Arizona Marketing and Distribution's bid price on the ZESCO poles contract was about K36.7 billion. The company, according to the Patents and Companies Registration Agency (PACRA), was owned by Mr Mwamba, of Plot 10 Roan Road in Lusaka's Kabulonga area. Preliminary notification of the contract award for the tender, whose bids were closed and opened on June 8, 2012, indicated that the preliminary award had been issued pursuant to Part VI, Section 53 (1) and (2) of the Zambia Public Procurement Act No. 12 of 2008.

Box 2 ACC Confirms Probing Kambwili for Corruption¹¹

In March 2018, the Anti-Corruption Commission (ACC) confirmed placing former Information Minister Chishimba Kambwili^{iv} under investigations. This came a few days after President Edgar Lungu warned that he will fire all Ministers engaged in corruption.

Last week, Lusaka Times exclusively revealed that a highly placed source within the ACC had confirmed that the Commission has now started probing Dr Kambwili's accumulation of vast wealth since he started serving in government.

¹⁰ <https://www.lusakatimes.com/2013/02/20/anti-corruption-commission-clears-kabimba-and-gbm-of-any-corruption/> (accessed 17.12.18)

¹¹ <https://www.lusakatimes.com/2016/11/14/acc-confirms-probing-kambwili-corruption/> (accessed 15.12.18)

In a statement, ACC Spokesman Timothy Moono said, “Following recent media queries on whether the Anti-Corruption Commission is conducting investigations on alleged corrupt practices against Hon. Chishimba Kambwili, former Information and Broadcasting Minister, I wish to inform you that there has been an inquiry against Hon. Kambwili on allegations of corrupt practices.” Mr. Moono said, “These investigations are on-going, and the Commission would therefore not wish to comment further as this may jeopardize the investigations.”

The source revealed that the subject of the inquiry against Dr Kambwili is the plush villas that the Roan MP has constructed on land belonging to Luanshya Golf Club which he has christened Kambwili Estate. The ACC is also investigating the construction of around 200 luxury flats near Mitengo area on the Ndola-Luanshya road belonging to Dr Kambwili.

The Commission is also examining how his firm, Mwamona Investments has managed to get several contracts from the Road Development Agency, the mining companies and some Councils.

Indeed, many Zambian law makers are business people or aspire to enter business upon ascending to political office; often as an avenue to public procurement contracts (Hinfelaar and Simutanyi, 2018). In addition, political entrepreneurship, driven by access to public contracts, among the various key actors from different ethnic groups has been increasing; creating further threats to the political settlement.

While the presidency would historically have control on important rents such as ministerial appointments and use them to balance ethnic tensions and factionalism, its strength seems to be diminishing, as evidenced by widening polarization based on voting along ethnic lines (Cheeseman, Simutanyi and Yezi, 2015).

4.4.5. Chapter Conclusion

Assessments of the various reform eras paint a mixed picture, with pockets of success in some areas and limited progress in others. Reform outcomes reveal gaps between the stated policy intentions and practice, while adherence to legal provisions and guidelines has been a challenge. For instance, “It was found that despite existence of legal and institutional framework in which procurement would take place, ZNTB allowed *“undesirable practices and procedures to prevail, as opposed to letting rules and laws prevail”* (World Bank, 2005).

Framing and timing of the reform appears to have been primarily anchored on the *“Zambian government of the day’s effort and willingness to reform”*. It is apparent that politics, though

difficult to nail down, exists in Zambia's procurement system and is the precarious binding constraint to reform. Because procurement reforms require upsetting vested interests and the status quo, political will and action is critical to shifting interests and incentives of various actors (OECD, *ibid*; World Bank, *ibid*). Fear of loss of incentives breeds reluctance to transforming procurement arrangements, because it would lead to potential loss of rents distribution among bureaucrats and political elites.

Hence, past and current reform efforts which ignore an understanding of the political economic context in which the reforms take place risk falling into the isomorphic mimicry category.

5.1. Introduction to Chapter

This chapter deals with Zambia's experience of introducing the e-GP, essentially presenting the results of the study. The first section provides the rationale for ZPPA leading the country into the direction of e-procurement, and the vision behind it while the second section reflects on MoH's experience as a participant in the e-GP pilot. We specifically take the case of procurement of essential drugs and medicines in the MoH to understand how the e-procurement pilot has evolved in MoH.

5.2. The State of Zambia's Public Procurement System

Public procurement is an important component of Zambia's economy and is estimated to account for 15% of the national Gross Domestic Product (GDP). The goods, services or works which government procures range from highly commoditized to highly unique. Accordingly, the task of PEs is to ensure that they achieve the most VfM out of suppliers; using the different available procurement methods, while ensuring competition (ZPPA, 2018).

However, ZPPA considers that government through its over 500 PEs undertaking procurement on its behalf, may not be spending rightly or uniformly on goods, services and works.

Unfortunately, the sub optimal use of Information Communication Technology (ICT) in PEs exacerbates the poor record keeping culture. Consequently, ZPPA and the PEs have limited readily available statistics and information on the cost and value of goods, services and works that are procured for government. Lack of robust information and transparency becomes a barrier to accountability in the sector (ZPPA, *ibid* and e-GP documentation).

Public perception and some documentation also consider government procurement as characterized by rampant corruption. Some examples of possible manipulation of the process or systems are given in the examples in subsequent paragraphs.

"The Global Business Anti-Corruption Portal notes that "fraud in the tendering process for government bids is widespread and often occurs during vendor selection, contracting and maintenance (GECS 2014). Transparency and accountability is particularly lacking in the last stages of the procurement process, which leaves significant room for manipulation (GI 2017)".

Even supreme organs' reports such as the Auditor General (OAG) and the Financial Intelligence Centre (FIC) cast a dark shadow on government procurement, citing it as a sector where wastage of public resources is prominent (OAG, 2016; FIC 2018). The 2016 and 2017 FIC reports found cases of corruption to be predominantly linked to public procurement contracts and often perpetrated by Politically Exposed Persons (PEPs) and their associates.

Box 3 FIC on Procurement Corruption

"In 2017 the FIC analysed 624 reports on suspected procurement corruption. Tax evasion cases ranked the highest, with an estimated loss of K3.9 billion. Corruption, especially in public procurement, was second with estimated losses amounting to around K500 million, while money laundering and fraud were found in third and fourth place, with losses amounting to K90.5 million and K3.5 million, respectively. The FIC further notes that "suspected procurement corruption mostly occurred in Government and Quasi Government Institutions when the private sector is contracted to do works. The attraction to procurement corruption is the large sums involved and the difficulty in detection due to collusion and management override. The main methods of procurement corruption are direct bidding and subsequent variation of contract sums that take away the value of tendering works. Collusion between PEPs and vendors or suppliers; vendors defrauding the corporation; Employees defrauding their employers; bribery, bid-rigging, embezzlement, and submission of false claims are the most common schemes" which were noted.

(FIC, 2018: 12; [Zambian Diggers](#)¹²).

The 2017 OAG documents further cases related to non-compliance with the ZPPA Act and the Procurement guidelines in the acquisition of public goods and services. The culture of poor compliance seems obvious at both PE headquarters or at district level as the information in the box below highlights.

¹² <https://diggers.news/local/2018/06/01/zambia-lost-k4-5bn-to-financial-crimes-in-2017-fic/> (Accessed on 28.11.18)

Box 4 OAG on Procurement related Corruption

Mwandi District Health Office (DHO) - MoH

Contrary to Public Procurement Regulations No. 119 (3), which requires that there is authority of the Public Procurement Committee for procurements above the authorised threshold or single sourced, there was no approval of the Procurement Committee for procurements of various goods and services valued at K52,861 procured at Mwandi DHO), (AoG, 2018: 85).

Procurement of an Ambulance – Ministry of Defence, (MoD)

On 26th September 2017, the Zambia Army entered into a contract with Razz Exports of South Africa for the supply and delivery of an ambulance at a contract price of K952, 0181 (R1,356,538) with a delivery period of six (6) to eight (8) weeks. The terms of payment were that the advance payment of 25% of contract price shall be paid within thirty (30) days of signing the contract against a receipt of a bank guarantee for the equivalent amount, 50% to be paid within sixty (60) days on receipt of the Goods and upon submission of the documents, while the 25% balance to be paid within sixty (60) days after the date of the acceptance certificate for the respective delivery issued by the Zambia Army.

On 9th October 2017, the contractor was paid the advance payment of K238, 005. However, as at 31st July 2018, the ambulance had not been delivered. In his response dated 17th August 2018, the Controlling Officer stated that the supplier had delivered an ambulance with wrong specifications which was rejected and sent back, and that the supplier had been given up to end of June 2018 to deliver the ambulance.

However, as at 31st August 2018, the ambulance had not been delivered, (OAG, 2018: 121).

There have been complaints and concerns at the slow pace the investigative wings have been taking to act on the OAG reports among others. In a bid to address issues arising from audits expeditiously, the OAG has entered into Memoranda of Understanding (MoU) the following investigative wings in the recent past: -

- i) With the ACC (2012), aimed at sharing information related to corruption earlier than the release of the OAG's report; ¹³
- ii) With the Drug Enforcement Commission (DEC) and FIC in 2015, aimed at "sharing information that requires further investigation and prosecution by the law enforcement

¹³ <http://ukzambians.co.uk/home/2012/06/16/acc-auditor-general-office-sign-mou/> (Accessed on 18.12.18)

agencies and assisting both institutions conduct performance audits and forensic investigations”.¹⁴

- iii) Further, the ACC entered into a “MoU with ZPPA aimed at sharing information in the management of irregularities that may occur in public procurement in 2016. It also aims at improving compliance to the PPA and enhance transparency and accountability in public procurement¹⁵. Below are examples of cases that have been picked up by the ACC as a result of such MoU arrangements: -

Box 5 ACC on Procurement Related Corruption

Possible interference with Information System – Ministry of Lands

“The Commission has also been investigating cases of suspected fraud and corruption at the Ministry of Lands involving officials of a company contracted by the Ministry to design and develop a Land Management Database. Investigations have been concluded and have revealed glaring tampering and altering of information on the system. The Commission will soon be taking the next course of action.”

Certification and payment for works not delivered

“Investigations into the certification for payment on unexecuted works by a named officer in the Buildings Department at the Ministry of Works and Supply. This is a matter where a contractor was engaged to construct a health centre, staff house, and three pit latrines in Solwezi. The funds were paid following the certification, but the works were not done. Investigations are ongoing and have reached an advanced stage¹⁶.”

Politicians and citizens of reputable status have also been alleged to interfere in procurement processes. Recently, a tribunal constituted to investigate former Tourism and Arts Minister Sylvia Masebo over allegations of abuse of office and breaching the State Security Act heard that

“...the Minister (Masebo) was wrong to have cancelled the Zambia Wildlife Authority (ZAWA) 19 Safari hunting concession tenders and that the only authorities with the powers to cancel a running tender were the chief executive officer of an institution or the tender committee, and not the president or his Ministers¹⁷.”

¹⁴ <http://www.lusakavoice.com/2015/01/22/auditor-general-dec-and-fic-sign-mou/> (accessed on 18.12.18)

¹⁵ <https://www.lusakatimes.com/2017/01/16/acc-institutes-investigation-alleged-corruption-zambia-malawi-maize-deal/> (Accessed 29.11.18)

¹⁶ <https://www.pressreader.com/zambia/zambian-business-times/20171211/281831464075965> (Accessed on 28.11.18)

¹⁷ “Sata, Masebo had no power to cancel ZAWA tender-ZPPA” Daily Nation <https://www.zambiadailynation.com/2014/03/11/sata-masebo-had-no-power-to-cancel-zawa-tender-zppa/> (Accessed 28.11.18)

In a submission after being subpoenaed by the Judge Royda Kaoma Tribunal, former ZPPA Director for Inspection and Standards, Gloria Ngoma further testified that

“ZPPA had objected to the application by ZAWA to include chiefs in the evaluation process after it had already commenced because the action would have jeopardized the transparency of the process”. She explained that the

“...evaluation of tender process was a discreet and confidential process and that any attempt to include new members after the evaluation process had commenced could seriously injure and compromise the process¹⁸”.

5.2.1. Procurement Rigging and Business Cartels

In attempting to give a sense of what might or might not go wrong in public procurement in Zambia, we present a case of fertiliser procurement under the Farmer Input Support Programme (FISP). This is perhaps one of the cases widely available in the public domain. The case provides information which could border on: - meddling with documentation; lack of transparency; business cartels; non responsive bids and a test of how the appeals process or oversight institutions function among others (Roberts, S and Vilakhazi, T (?); Times of Zambia¹⁹ and²⁰; Lusaka Times²¹)

Background

Prior to 2013, the Zambian fertilizer market had been historically dominated by Omnia and Nyiombo. The two companies had collective shares estimated to be around 70 - 80% in fertilizer market of roughly 540 000 tons (ibid) and were mainly active between 2007 and 2011. However, after 2013, the fertilizer market started witnessing the coming in of other players such as ETG and Greenbelt; by which time Nyiombo and Omnia had clearly started losing substantial share of the market (Roberts, S and Vilakhazi, T (?)).

¹⁸ “Sata, Masebo had no power to cancel ZAWA tender-ZPPA” Daily Nation <https://www.zambiadailynation.com/2014/03/11/sata-masebo-had-no-power-to-cancel-zawa-tender-zppa/> (Accessed 28.11.18)

¹⁹ “Fertiliser case withdrawn” Times of Zambia August 23rd December 2012. <https://ukzambians.co.uk/home/2012/08/23/fertiliser-case-withdrawn/> (accessed on 04.12.18)

²⁰ “Omnia, Nyiombo fined over \$20m cartel” Times of Zambia. <http://ukzambians.co.uk/home/2013/06/06/omnia-nyiombo-fined-over-20m-cartel/> (Accessed on 4.12.18)

²¹ “Firm cites corruption in fertiliser deal, seeks judicial review in court” <https://www.lusakatimes.com/2012/08/20/firm-cites-corruption-fertiliser-deal-seeks-judicial-review-court/> (Accessed 04.12.18)

This may also be linked to the end of the cartel arrangements between Omnia and Nyiombo, which were found by the Competition and Consumer Commission of Zambia (CCPC) to have rigged government contracts for fertilizer supply between 2007 and 2011 (Roberts and Vilakazi, ibid).

Box 6 The Judiciary and the Competition Commission on Procurement Rigging and Business Cartels

August 12, 2012, quoting Muvi TV, the Lusaka Times (ibid) reported that: -

*“One of the bidders in the supply and delivery of fertilizer for the year 2012 to 2013 farming session has cited corruption in the awarding of the tender to Nyiombo investment. Neria’s Investment Limited has since filed for judicial review of government’s move to award the tender to Nyiombo investment amid an appeal it has lodged before the ZPPA. In an affidavit filed in the Lusaka High Court, Neria’s investment claims the move by Agriculture Minister, Emmanuel Chenda, to announce the awarding of the contract to Nyiombo investment before the ZPPA could resolve its appeal, is illegal and in contravention of section 70 (4) of the ZPPA act. The company has cited the **issuance of a certificate of registration** to Nyiombo investment by the - CEEC- on May 17 2012 as one irregularity adding that this was **done after submission of bids was closed**. Submission of bids was closed on April 29 2012 (Muvi TV²²).*

On 23rd August 2012, the Times of Zambia reported that the “Fertiliser Case was withdrawn, following a successful meeting held by the two parties.”

Fertiliser Case Withdrawn

*“THE Lusaka High Court has allowed the withdrawal of the case in which Neria’s Investment dragged the Ministry of Agriculture and Livestock to court for allegedly awarding contracts to two firms illegally. Neria had also included ZPPA) and the Attorney General in the court case. Ms Justice Phiri also granted a consent order to the parties that **no award of contracts** for the supply and delivery of fertiliser on the Copperbelt and Central provinces, known as Zone One and Two would be done until the matter of the **appeal was determined**. Neria’s Investment Ltd. had contended that the court should quash the decision to announce*

²² “Firm cites corruption in fertiliser deal, seeks judicial review in court” <https://www.lusakatimes.com/2012/08/20/firm-cites-corruption-fertiliser-deal-seeks-judicial-review-court/> (Accessed 04.11.2018)

*the successful bidders before addressing the applicants appeal over **irregularities surrounding the whole process.***

*In their consent order delivered yesterday in chambers, the parties agreed that **ZPPA should proceed to determine the applicant's appeal** as provided for under part 7 of the Public Procurement Act Number 12 of 2008. They also agreed that Neria's application be determined **within seven days**. The applicant was also seeking an **order of mandamus** to compel the respondents to consider the provisions of the **Citizens Economic Empowerment Commission (CEEC) Act** in the awarding of contracts to supply and deliver fertiliser that were clear and straight-forward. The company sought another order to declare that **the process of evaluation** by the Central Tender Committee was unreasonable by virtue of the respondents' **failure to adhere to law** (Times of Zambia (ibid).*

Later in 2013, the Competition and Consumer Protection Commission (CCPC) "fined Omnia Fertiliser Zambia and Nyiombo Investments Ltd five percent each of their respective annual turnovers for engaging in a **cartel** worth more than US\$20million.²³"

A record of adjudication of the CCPC board observed that: -

- "Both Nyiombo and Omnia had entered into an anti-competitive agreement aimed at dividing the market for the supply of fertiliser under the FISP to their advantage.*
- The agreement entered into by the two firms showed that they had collaborated in the distribution and supply of fertiliser in Zambia and that the primary objective was for each company to focus on supplying and distributing fertiliser in the allocated zones where it has sustainable competitive advantage;*
- The trend had been that wherever one party tendered, the other made sure that only one of them won;*
- The two companies were exchanging information relating to the prices of fertiliser;*
- Nyiombo and Omnia were also engaged in bid rigging during the tendering for fertiliser under FISP" Times of Zambia)²⁴.*

²³ "Omnia, Nyiombo fined over \$20m cartel" Times of Zambia. <http://ukzambians.co.uk/home/2013/06/06/omnia-nyiombo-fined-over-20m-cartel/> (Accessed on 4.12.18)

²⁴ <http://ukzambians.co.uk/home/2012/08/23/fertiliser-case-withdrawn/> (accessed on 04.12.18)

Omnia and Nyiombo had in *“recent years also been linked to allegations of fraudulent relations with the government agents that are in charge of facilitating the tender process in the ZPPA and Ministry of Agriculture²⁵ in (Roberts and Vilakazi (ibid)).*

The Neria Case clearly shows that there is a myriad of issues which border on VfM and / or transparency that the e-GP could help resolving if put in place. Yet, in the absence of benchmarking; and proper record keeping, and cooperation from PEs, ZPPA is unable to offer specific evidence-based advice to the PEs on the right cost or general VfM components of procurement.

5.3. The State of Procurement in MoH

The MoH is one of the largest spending PEs in Zambia. MoH’s biggest expenditure lines are infrastructure, essential drugs and medical supplies. For the year 2018, the Minister of Finance has announced an expenditure of K6.8 billion on health. Of this amount, K1.2 billion is for procurement of essential drugs and medical supplies representing a 56 percent increase over the 2017 allocation.

Like all public procurements, the procurement of essential medicines and medical supplies funded by the government of Zambia is guided by the PPA of 2008. The Procurement and Supply Unit (PSU), under the Human Resources Department of MoH leads the procurement process. The PSU reports directly to the Permanent Secretary (PS) – Administration.

The NSCS and Implementation Plan for Essential Medicines and Medical Supplies (2015 -2017) designate Medical Stores Limited (MSL) as the lead entity for procurement. Established in 1976 under the Companies Act, MSL’s original mandate was to carry out procurement, storage and distribution of all essential drugs for Zambia’s public health sector. This mandate changed in 1996 when the procurement function was re-located to the MoH, as part of general government reform to locate procurement functions in respective line ministries. For two decades, MSL was thus responsible for drug storage and distribution and not procurement and quantification.

²⁵ (in ‘Government broadens FISP tender process’ (18 April 2012), at: http://www.postzambia.com/post-read_article.php?articleId=26958; and ‘Corruption deal backfires’ (18December 2013), at: <http://zambiadailynation.com/2013/12/18/corruption-deal-backfires/>; and ‘PAC questions govt over Nyiombo Investments, Omnia’s contracts’ (25 March 2010), at: http://www.postzambia.com/Joomla/post-read_article.php?articleId=7395).

But this mandate changed in 2012, following a directive by the then late former Minister of Health, Dr. Joseph Kasonde, to transfer back the procurement and supply chain management to MSL from MoH. However, the process of actualising this transfer of function between the two entities is only on paper and has not been realized. Several explanations are offered by stakeholders for the limited traction on this matter: - budget control by MoH; inadequate staffing; etc.

But of all the reasons cited, the issue of interests and incentives in procurement, which we address later in this chapter, appear significant for the purpose of this study.

If undertaken, the transfer of procurement function from MoH to MSL is considered as one which would minimize MoH's heavy hand in procurement; increasing efficiency and effectiveness in the chain through eliminating an extra layer of bureaucracy.

With regards to procurement systems, the general sense is that the formal systems available in the MoH, backed by all the national legal frameworks and guidelines are adequate (EU, 2015). However, it is the implementation or sometimes interpretation of systems that appear to go wrong. Corruption and leakages in procurement, amidst all the adequate guidelines and procedures is an example of what goes wrong. For instance, the MoH recorded a damning procurement related corruption case in 2008, which suggest that those involved have discovered ways of by-passing the formal system. A decade after it was uncovered, this particular case of (Henry Kapoko versus the people) is still alive in the Zambian courts. This case continues to highlight elusive spots in the practice of procurement. The allegations, arrests and until recently some successful convictions clearly demonstrate that there could be individuals or networks, within and outside PEs, acting together to circumvent the formal procurement system.

In summary, heavy handedness of the MoH in selection, quantification and procurement; expiries and drug stock- outs; increasing drug debt; leakages across national borders; corruption; and weaknesses in the storage and distribution are the major issues linked to procurement in the public health supply chain, which stakeholders are grappling with.

Subsequently, Government and its cooperating partners have continued searching and investing in policy, human and financial solutions aimed at resolving limitations in the medical supply chain while attempting to attain VfM. As stated above, the e-GP is the latest of the solutions that

government and CPs are attempting to resolve some well documented bottlenecks in the medical supply chain.

5.4. The Promise of the e-GP

In view of the challenges alluded to in the foregoing, ZPPA considers the e-GP pilot as a potential avenue to gather information that would inform a procurement baseline; enhance record keeping and generate data that contributes to efficiency, transparency and accountability in public procurement. It would aid streamlining procurement processes and tightening controls on spending through introduction of Information Technology (IT) in the procurement system, via a web-based procurement portal, *e-bidding, e-purchasing, and e-Contract management (ZPPA Website)*. The fact that the e-GP would reduce human integration in procurement processes and procedures is seen as a strength of the system.

Below are some of what ZPPA considers as challenges which the e-GP could address and envisaged benefits: -

How does e-GP Solve Existing Challenges

- Eliminates some manual processes for example tendering, bidding and notification, which may be undertaken electronically
- Centralized storage of bidding information and thus reduces paper usage and movement
- Eliminates or reduces costly vendor visits to the procuring entities
- the reduction in the paper usage reduces environmental degradation
- Geographical boundaries are eliminated

Benefits of e-GP

- Reduces cost to bidders
- Greater transparency through the automated publication of Tenders and Contract awards
- Makes it easier to monitor compliance
- Allows integration with other stakeholders' systems
- Easier management of framework agreements
- Easy generation and sharing of management reports
- Simplifies the publication of information to Bidders, Suppliers and the general public

5.5. MoH's early experience of Procurement using the E-GP

Informed by primary interviews with various stakeholders in procurement and secondary information from project documentation, this section reflects on the experience of MoH in implementing the e-GP.

5.5.1. Procurement Planning

In its regulatory capacity, ZPPA monitors how well PEs are spending through their Procurement Plans. The PPA, Section 42 (2), requires PEs to prepare Annual Procurement plans and to submit these to ZPPA. Until 2016 when the e-GP pilot was introduced, ZPPA and all the PEs have been submitting manual plans to ZPPA. But since the introduction of e-GP in 2016, procurement plans from MPSAs are published online. However, ZPPA indicates that not all PEs have been consistent in submitting their plans^v. In fact, “only 70% of PEs submit their Annual Procurement Plans (which are used for reviews and approval)”. While quarterly procurement reports are reviewed and feedback given to PEs, this is not processed because there is no database and information exists only in manual form (Crown Agents, 2018:14). Thus, ZPPA does not hold comprehensive information about the goods, services or works that PEs plan to procure or have procured and whether these represent VfM.

But there are also other issues related to procurement, which arise at various levels of the procurement cycle, which e-GP is envisaged to address: -

a) Record Keeping

Record keeping and space limitation has been a challenge for PEs since the era of ZNTB, which has continued under the ZPPA era. This issue has been emphasised by staff in PEs and ZPPA, and well documented in several procurement projects’ life spans (World Bank, 2002; 2005 and OECD 2007). The challenge of record keeping, and document storage gets deep and complicated at the level of PEs, because this is where all procurement information is generated, and is ultimately stored.

b) Collusion

Manual procurement, especially in a context of eroded trust and embedded interests and incentives arguably predisposes the system to perception of manipulation. It is a widely held perception that those with interests in a procurement tamper with the paper documentation, possibly destroying paper trail. While similar manipulation is possible in an electronic system, the view is that it is harder to breakthrough in an electronic system than it is to discard paper. Thus, the e-GP is seen as enhancing stakeholder confidence in the process. Bidders who have interacted with the e-GP were said to have expressed confidence in it, with respect to document security^{vi}.

Document security seems to be the one point that all stakeholders are agreed on, as the main rationale for introducing the e-GP. The acceptance level of the e-GP regarding this point seems high.

c) Transparency

PEs have often been found not to practice enough transparency in procurement processes. For instance, information about the winning bidders is seldom published by MoH (EU, 2015). The e-GP is designed to send automatic responses to bidders participating in tenders, regardless of whether they qualify or not. In its full functionality, the e-GP would enable PEs manage contracts electronically, a function which would enhance transparency in the process (ZPPA website).

In summary, interviews and documentation suggested that due to the perception of reduced human interaction in the procurement processes and procedures, the e-GP has generated some levels of confidence among stakeholders. Where it has been consistently used such as ZPPA, the e-GP was said to have reduced cost of running tenders^{vii}.

5.5.2. Problem Definition: *objective setting on the e-GP*

The main objectives of the overall procurement reforms are articulated in the World Bank's Project Appraisal of 2014 as (i) *"to establish and strengthen ZPPA's oversight and regulatory role in public procurement and ii) to strengthen ZIPS's capacity to establish and maintain quality standards of purchasing and supply professionals"* (World Bank, 2014: 16).

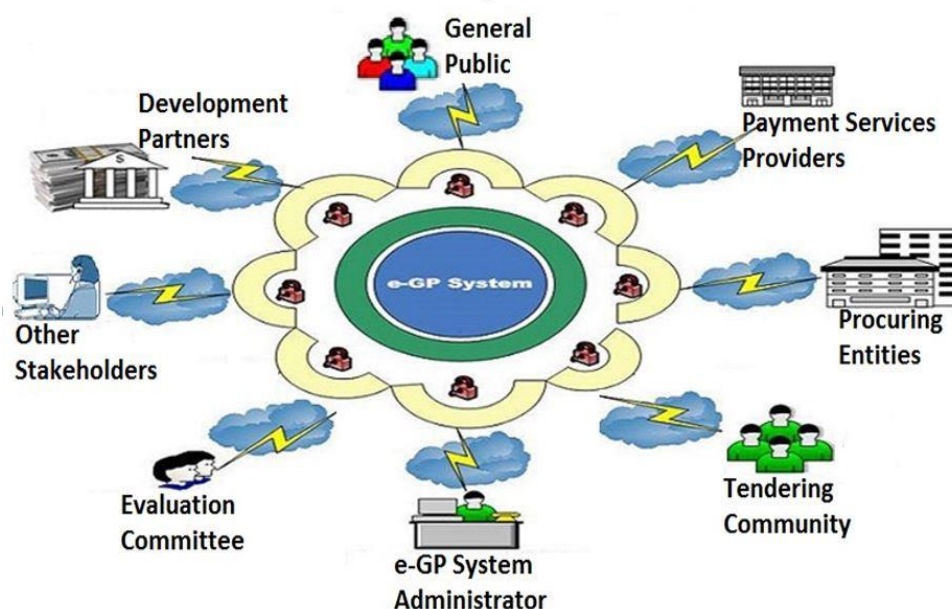
a) *No e-GP Specific Concept Note?*

Beyond the project definition set out in the World Bank's Appraisal mentioned above, this study was unable to get hold of specific documentation which serves as a concept note on the e-GP; or an articulation of what success of the e-GP could look like in pilot PEs such as the MoH. The World Bank (ibid: 18), introduces the IT sub component of the procurement reform, as one which could be carried out in a phased approach to improve transparency and efficiency. According to this documentation *"the e-government procurement development package will include the data center, back-up power arrangement, and user training. Under the scope of the program, the system will be piloted on a limited scale in selected agencies."*

In separate interviews, two respondents close to the project (ZPPA and MoH) could not recall having come across an e-GP specific concept note. In one PE, the respondent indicated that “ZPPA had requested them to implement the e-GP and then go back and tell them [ZPPA] the problems that they would encounter [so that ZPPA could resolve them]^{viii}. It appears that implementation of the e-GP started without due reflection of what or how the e-procurement system could offer in the Zambian context.

An interrogation of the e-GP model (*fig 1*) provides a sense of how the e-GP should ideally function. An immediate observation from this model is the conceptual assumption that stakeholders would garner around the technology and not necessarily around commonly defined problems. Thus, from the project’s early days, it is observed that the extent to which the implementers of the e-GP have focused on the non-technical fixes to the procurement challenges remains questionable.

Figure 2 The e-GP System



Source: <https://www.zppa.org.zm/>

Documentation and interviews reviewed as part of the study do not seem to provide a sense of the priorities which the PEs participating in the e-GP pilot are focusing on. Specifically, there is no information explaining the rationale for the selection of MoH as a participant in the pilot. Save for scanty information in progress reports and interviews, referring to the MoH as a high-income spender; and that it attracts numerous procurement appeals from suppliers (DFID, 2017).

In the absence of a road map of implementation and convincing definition of the problem being addressed, both ZPPA and MPSA's readiness for such a massive transformation in the manner of conducting business becomes questionable. For PEs such as MoH, the question of ownership of the project starts to emerge.

b) Traces of ownership

While we generally question the extent to which MoH procurement staff had bought into the overall goal of the e-GP, we identified two aspects in their narrative, which seemed to suggest that they believed in some of the benefits which the e-GP could potentially offer.

- ***That the e-GP could address challenges of records storage and security***

Ease of record keeping and security was the number one benefit that public procurement officers cited as a benefit of the e-GP. In Zambia, procurement record keeping is mandatory by law, where Section 38 of the PPA requires PEs to maintain records of all procurement proceedings for a period of seven years. But the bulkiness of the documents constrains PEs to fulfil this obligation. Further, procurement staff mentioned that the e-GP serves as a shield from negative perception from bidders that they are responsible for manipulation of procurement documents; in essence excluding certain bidders from qualifying for tenders: - *"Suppliers will generally feel safe that their bid is intact when submitted online unlike when they submit it manually^{ix}."*

Indeed, everyday public discourse is rich with cases of individuals interfering with public procurement processes or documentation. However, through this study, we have partly learnt that these cases appear not to be systematically documented across all PEs. Moreover, the fear to give out information to non-public servants meant that obtaining a specific case on health-related procurement was daunting. Public servants were happy to refer to cases which have been publicly reported and not those they referred to as 'under investigation' or sensitive. Thus, the Fertiliser Case (in section 5.1.1) and the case of Sylvia Masebo cancelling tender in 5.1.1 provides the closest insights to what meddling in public procurement processes or tampering with documentation could look like.

Regrettably, even the institutions which are mandated to investigate such matters (i.e ACC, Drug Enforcement Commission (DEC) and or Zambia Police) have also been cited as losing documentation pertaining to some cases. This is one of the reasons given as the basis for delays in investigations or disposing of cases.

- ***That the e-GP could potentially help them to manage the appeals processes***

The assumption is that with technology, there would be a trail of the procurement transaction(s) documentation from the advert through to the award of the contract.

While some procurement staff fed into the study, they did not generally appear close to information on the project. They for example made constant reference to the former Head of Procurement as the person who ‘*knew a lot about the project.*’

Lack of ownership seems detrimental to the e-GP landing in MoH, where procurement staff seem to already work in silos, probably a consequence of how project support has been historically designed and configured. There is for example staff specifically attached to procurement related aspects of donor procurements (*i.e* World Bank and SIDA).

Given the observations around problem definition and ownership, this study is inclined to conclude that the e-GP had been wholesaled as a solution to MPSA’s procurement challenges, without due consideration of the problems it is aimed to address and why they matter. It is also probable that MoH, and other MPSAs could have joined the pilot to fulfil the obligation to the regulator.

5.6. The pre e-GP launch period

a) Circular No 1 of 2016

On 1st September 2016, ZPPA issued Circular No. 1 of 2016 titled “*Introduction of the Electronic Government Procurement System*”,²⁶ addressed to Controlling Officers, Chief Executives and Town Clerks in MPSAs, including the Local Authorities (Annexed). The content of the circular suggest that

26 https://www.zppa.org.zm/documents/20182/35763/CIRCULAR_1_OF_2016_INTRODUCTION+OF+THE+ELECTRONIC+GOVERNMENT+PROCUREMENT+SYSTEM/ed4f16a6-5cc9-4fc4-a1f6-fe2b7fc76d84?version=1.1 (accessed 06.08.18)

it should have reached the MPSAs prior to the e-GP launch. Ironically, the circular was only sent to PEs two months after the e-GP launch.

Content wise, the circular is pitched at two levels: - i) information (need to know); and ii) a combination of advice and action.

Three headlines can be picked around the information aspect of Circular No. 1: -

- i) Communicated the e-GP and the MPSAs which were part of the pilot;
- ii) Communicated the sensitisation which ZPPA would be conducting and
- iii) Informed about ZPPA's move to register suppliers on the system.

The advice and action aspect of the circular called on MPSAs to prepare IT infrastructure in readiness for the e-GP introduction. But the action dimension of the circular is rather understated for the sort of action that MPSAs were being requested to execute. Moreover, compliance to this action could have budgetary implications for the MPSAs and their compliance with the action aspect of the circular was likely to be dependent on whether they had accepted the project and their financial ability.

c) No supporting IT Infrastructure

Because the e-GP had no budget set aside to provide IT infrastructure, staff in the pilot PEs described it as not being 'ready' for roll out. Insignificant as provision of IT infrastructure might seem, it is likely that it impacted on PE's commitment and enthusiasm for uptake of the e-GP. Non provision of IT equipment by the project sponsors was argued as being at odds with the general practice in 'funded projects'. If the equipment had been provided, it could have been assigned to "the project."

By implication, the MPSAs could have selected staff to be designated to the e-GP; with possibility of those staff drawing an allowance and / or entitled to extra remuneration over and above their government salary.

With regards to the IT hardware, procurement staff in MoH indicated having access to IT equipment and connectivity. However, they did not manage to use it fully because they were

constrained by slow internet connection. A further limitation cited was on access to functional computers and internet, especially for members of the procurement committees external to MoH. As earlier stated, it appears that at project design, there was an explicit assumption that members of evaluation committees would always have access to computers and internet connectivity, when the reality proved not.

d) Internal resources versus outsourcing

The e-GP has been internally driven by a group of staff drawn from within ZPPA (included Capacity Building and Information Technology (IT)). This is the core team which has been conducting sensitisation sessions to the public and trainings for procurement staff in PEs. It was learnt that the previous DG had insisted on having the e-GP process being led by ZPPA staff as opposed to outsourcing^{xi}. The in-house approach was perceived as an effective way of ensuring that knowledge and skill was generated and resided within the ZPPA. The DG was said to have been against the initial plan of engaging a marketing firm to undertake capacity development and popularizing the e-GP to PEs.

Notwithstanding the benefits of having an in-house cohort of experts to support the e-GP, stakeholders from PEs and external users, raised concerns; particularly around the ZPPA's turnaround time of their IT queries. Part of the reason for the delays in responding to IT specific challenges could be that ZPPA has no rights to the commercial software on which the e-GP runs. ZPPA often relies on remote support from the contractor, while its local users expect a robust process of trouble shooting.

5.6.1. Confronting Politics and Managing Change

As earlier stated, public procurement appears to attract significant interest among various actors, possibly because of the intrinsic incentives. It is emerging that public procurement provides a seemingly soft avenue for various players to exploit and extract government resources and channel them towards rewarding their political loyalists, among others. Conversations with stakeholders as part of this study, augmented by analyses of Zambia's political economy (Levy, 2014; Cheesman, Simutanyi and Yezi, 2015 and Hinfelaar and Simutanyi, 2018) provide the

evidence of this assertion. While the negative public spotlight and perception centers on politicians, there is evidence to show that mismanagement and misapplication of state resources is increasing and extends to the lowest bureaucrat in the hierarchy of the procurement; as discussed in the ensuing paragraphs: -

a) Politicians

“You should know by now as a Zambian that there is power to control. Procurement - there is big money in it.”^{xii}

Patronage and corresponding rents, as explained above is the lens we utilise to help unpack the trends in Zambian political economy context. An understanding of how the patronage network is cultivated and structured is critical. For instance, an understanding of the governance arrangements and how that is exercised within ZPPA in relation to the overall political economic context; and the limitations therein perhaps provides some useful starting point for the interrogation of the big picture issues in Zambia’s public procurement, and how that possibly impacts PEs.

The Minister of Finance is the Chairperson of the Board of ZPPA. Despite the powers that the minister should lead colleagues and the country into transforming procurement, we learnt from interviews that successive ministers of finance appear laid back on the reform agenda. The trend of quietness over reforms exists at the wider Cabinet level. This position is confirmed by more recent similar analysis (Crown Agents, 2018).

The muteness though, among politicians was said to have been more on the electronic procurement agenda, and less on other proposed procurement reforms. For instance, it was learnt that recently, politicians in government had been insistent on two reform areas of the PPA, suggestive of them having underlying interests in the matters: -

- i) the re-introduction of a Central Tender Committee (CTC) (to oversee high value procurement involving all PEs); and
- ii) the need for PEs to be allowed to undertake direct bidding without ZPPA’s approval.

These proposals have been incorporated in the proposed PPA Amendment Bill of 2017 (*unofficial version*).

Due to the perceived interests in procurement, the speculation is that a sitting finance minister would be reluctant to publicly champion reforms for fear of being perceived as inhibiting colleagues within cabinet or the ruling party structures from benefitting. Moreover, in the current political dispensation, where the line between the party and government appears blurred, the space for reform for the finance minister appears restrictive. Based on the foregoing, Zambian politicians' commitment to seeing the e-GP succeed is questionable.

b) Bureaucrats

What can ZPPA realistically push and what can it not?

Legally, ZPPA has sanctioning power as a regulator. However, several stakeholders perceive it as unable to assert and utilise its power where and when it matters most. *"ZPPA is a big dog which cannot bite."*^{xiii} For instance, the PPA, Section 42 (2) requires PEs to prepare annual procurement plans and to submit these to ZPPA for online publication. The plans are also subject to continuous revision. But the implementation or compliance to this provision already appears inconsistent. For example, MoH was cited as one PE which is often late in submitting its annual procurement plans while ZPPA was said not to have sanctioned any PE due to untimely delivery of procurement plans, as alluded to in 4.3.1.

Across the board, respondents lamented what they termed as the shrinking space between ruling party politics and the public service. This study learnt that the work environment within ZPPA and in MPSAs has been evolving negatively in the past few years, characterised with fear; especially that of losing employment, being transferred or retired in 'national interest'. Procurement professionals were said to be among the most affected by these dynamics, which are arguably instigated by politicians and their loyalists but implemented by senior bureaucrats such as controlling officers. Staff movements in both ZPPA and MoH was said to contribute to loss of institutional memory.

During interviews, we noted a trend where procurement staff seemed to withhold information; were often unable to share documentation and opted for anonymity, due to what they termed as fear of reprisal. Part of the restraint by public servants to provide information possibly arises from a directive issued by Cabinet / the President in June 2018 against *“unmandated government officials from issuing public statements on economic and financial matters, including on debt contraction. Such statements will now be done by the minister of finance.”*²⁷ The respondents were also upfront about their fears and the limitations which the political environment placed on their work and impeded ability to make decisions in some cases.

While appreciating the potential benefits of the e-GP such as averting possible ‘fixing’ or collusion in procurement, procurement staff consider the e-GP as a double-edged sword; to an extent that it places them under the spotlight of various interested parties. Of all the interested parties in procurement, procurement staff seemed guarded of politics peddled by ruling party functionaries or those they referred to as being ‘connected’ to ruling party heavy weights. For example, both within and outside MoH, the speculation by respondents was that the ‘retiring in national interest’ of the former head of procurement at MoH in early 2017 had been triggered by the non-responsive bids on one of the procurements conducted through the e-GP.

Box 7 below summarizes recent happenings in the public procurements sector and in MoH, which are perceived as contributing to procurement staff anxiety and restraint referred to in previous paragraphs.

²⁷ <https://www.lusakatimes.com/2018/06/15/no-more-loans-orders-president-lungu-as-he-bans-travel-and-suspends-financing-of-unfinished-projects/> (Accessed on 18.12.18)

Box 7: What has Changed in the Procurement Environment?

Within the year 2017, ZPPA lost two key individuals (the DG and the Director, Monitoring and compliance) who were considered as e-GP champions. While the reasons for the two's separation from the authority could be different, respondents speculated that the former's eagerness to reform the way procurement is conducted, through the e-GP among others, perhaps unsettled some interests of powerful people; costing them their jobs.

The DG did not have his contract renewed in 2016, upon expiry, while the Director for Monitoring and Compliance was said to have been fired before her contract expired. The DG was replaced with another former DG, who had served in the organisation during the transition from ZNTB to ZPPA through to President Sata's term. He was fired by President Sata in 2014, over what media reports alleged was a result of "growing controversies about how telecom tenders have been awarded to Chinese companies."²⁸

But we also learnt about how politicians had at well-timed moments played into the Head of State's space to craft the 'erroneous' firing / removal of sitting DGs while ensuring that their favoured candidate was appointed. This is alleged to have transpired when they fought to have bids in which they had significant interests approved through the ZPPA. The Director for Monitoring and Compliance was said to have been a big resource in ZPPA, having served from the time of ZNTB. She is on record of having testified against former Minister of Tourism, Masebo for wrongly cancelling a tender for hunting concessions for the ZAWA (*see p.55*).

At MoH, the former Head of Procurement was retired in national interest in late December 2017. Normally, the reasons for the retirement are not provided but the concerned individual can ideally request feedback through their superior / controlling officer.

When the first bids for MoH [*on ambulances*] were run through the e-GP system, evaluation committee participants were all surprised that none of the bids met the set evaluation criteria and were thus deemed as non-responsive. Seeing this as a technical anomaly in the system, the HoP straightaway sort support from ZPPA. ZPPA swiftly responded, by going through the system and the bids. ZPPA felt this was a learning experience for all involved, including the technical team and the external bidders before they could settle. But there may not have been enough patience by all involved. It is also speculated that there was an interest in this procurement by some senior people in the hierarchy.

Later, the failed procurement was re-commenced outside the e-GP. It appears that this procurement became problematic again, and some dissatisfied bidders appealed to ZPPA and reported the matter to the ACC. **Source:** *Based on face to face interviews and few media reports*

²⁸ <http://www.itwebafrica.com/more-countries/zambia/232008-zambia-president-michael-sata-fires-public-procurement-authority-dg> (accessed 18.12.08)

Interviews with stakeholders suggested that whereas bureaucrats recognise the prerogative of the appointing authorities to hire, fire or transfer, their disquiet arises from the fact that those affected are not often accorded opportunity to be heard; to appeal or to be protected. Staff further expressed fear to make decisions due to the tense working culture; which does not seem supportive of learning and not amenable to divergent views. Insecurity has bred a feeling of no sense of permanency in the work and it was not clear that the MoH was particularly taking time to focus on the e-GP and the changes it would entail on its staff.

In concluding this section on the political economy of procurement reform in Zambia, this study contends that prior to inception, the initiators of the e-GP could have benefited from a candid PEA of procurement in Zambia; accompanied with i) realistic proposals of how to address emerging issues; ii) and a realistic change management strategy and timeline before implementation.

5.6.2. External Narrative on e-GP brighter than the Internal Narrative?

Prior to the launch event, ZPPA reached out to multiple stakeholders, selling the e-GP; including informing citizens and the suppliers. For example, a week preceding the official launch, ZPPA had participated in the local Zambia International Trade Fair (ZITB) and used the event to disseminate information about the e-GP. Both the pre -launch and the launch of the e-GP received favourable media coverage, with the DG notably taking a lead role in the messaging. Two stakeholders narrated having attended ZPPA's e-GP sensitisation workshops in Kabwe and Lusaka respectively, and rated it as informative. However, this narrative is only read about or heard from external sources and not easily obtainable from within ZPPA.

5.7. The e- GP Launch and beyond

The e-GP was officially launched on 8th July 2016 by the Vice President, who had been delegated by the president. Some stakeholders interpreted the Vice President's officiating at the event as a signal of commitment and acceptance of the project among high ranking officials in GRZ. But one respondent^{xiv} observed that the unavailability of the president to preside over an important political event, which he had earlier confirmed he would officiate, was deliberate. It was speculated that could be a pointer of the tension the head of state could potentially encounter in

his capacity as appointing authority in addressing or calling out none or poor performance among MPSAs or the controlling officers.

5.7.1. What counts for e-GP Success?

Meanwhile, the definition of what e-GP success could look like was already being tested, in the early months following the e-GP launch. In September 2016, at an e-GP sensitization workshop for MoH, the former ZPPA DG reported what he described as “success of the e-GP:-” i) the number of suppliers (1500), who had completed a self – registration exercise on the e-GP online platform and ii) Five (5) tenders which had been uploaded on the e-GP system; “and another anticipated to be loaded by the MoH, bringing the number to Six (6)”. While the number of registered users could immediately give a positive impression, it is problematic to consider this as success in the absence of clearly defined indicators and / or targets of success. As earlier pointed out, this is one of the problems which seem to haunt the e-GP, even in its current form.

5.7.2. MoH and e-GP utilisation after the launch

The e-GP pilot was initially scheduled to take place between July and September 2016 during which period PEs were to float and evaluate tenders online for the general public and prospective bidders to access, as a transparency measure. Information regarding tenders floated on the e-GP is published on the ZPPA website²⁹. However, this deadline was extended to December 2017, when it became apparent that PEs response to the project was not as responsive as earlier envisaged. Subsequently, implementation of the e-GP was further extended in order to allow for more PEs to run tenders on the system. There is no time limit set for the MoH or indeed any other PE that is part of the pilot to transition from manual to e-procurement.

From early days, MoH was considered a forerunner in uptake of the e-GP. ZPPA staff indicated that MoH was one of the MPSAs which appeared to have received the e-GP well and cooperated with ZPPA. The former head of procurement was referred to as an example of a ‘*Super User*’ of e-GP, while the then controlling officer in MoH [PS] was said to be supportive of efforts aimed at

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https://eprocure.zppa.org.zm/epps/pageliterator/view.published.notices.do?subKey=results%5B%27entriesCollection%27%5D&masterKey=129ccd5178b71c48%3A-2777d3fc%3A165140116d4%3A-805&paths=results%5B%27entriesCollection%27%5D¤tPath=results%5BentriesCollection%5D&actionKind=sort&sortByField=datePublished&selectedLessonIds=&selectedPos=&hiddenPos=&paging_results_per_page=&paging_go_to_page=

transforming procurement. It appears that the introductory phase of the e-GP in MoH benefited from the authority and acceptance of the two senior officials, who embraced the project. The preceding narrative possibly explains the positive reports of e-procurement in MoH, reported in the PFMRP (DFID, 2016). Unfortunately, the positive narrative about the e-GP in MoH seemed to have only lasted as long as the former heads (PS and head of procurement) were in post. Thereafter, there is no clear indication of who replaced the two as e-GP champions within MoH.

5.7.3. MoH procurements on the e-GP

Interviews with ZPPA confirmed that utilisation of the e-GP by the pilot PEs has been dismal; too low to provide robust evidence for decision making by the Authority. Consequently, an earlier planned evaluation of the e-GP pilot was also deferred indefinitely as at December 2017.

End of August 2018, the ZPPA website had recorded forty-two (42) tenders on the e-GP platform. Out of these, only ten (10) originate from MoH (*see table 1*). This information is slightly different from information which was available in December 2017, when the e-GP portal had recorded close to 73 tenders (table 1); out of which seven (7) originated from MoH. It is likely that between January 2017 and August 2018, ZPPA could have taken time to “clean up” the information posted on the website, hence the difference.

With MoH, we observed and partly heard that procurements would be initiated and advertised on the e-GP system but would be awarded outside the e-GP. Box 3 below gives an example of one tender which had initially been floated through the e-GP but withdrawn, and later undertaken through the UN procurement system.

Box 8 The Case of Tender No 1838/2/1/2016

Interviews revealed that tender number “1838/2/1/2016 on Supply and Delivery of Utility Motor Vehicles, Basic Life Support Ambulances, and Motor Bikes for the Reproductive, Maternal, Neo-Natal, Child Adolescent Health and Nutrition Project” which is indicated as cancelled had been awarded, though outside the e-GP system.

“MoH has purchased fifty (50) ambulances at a cost of US\$288,000 per ambulance. The method used is limited bidding (restricted to a few suppliers). This procurement method would ideally be used in an environment where there are limited suppliers of the goods or services sought. It seems this procurement has generated dissatisfaction among interested circles, leading the ACC to institute an inquiry. Meanwhile, MoH has in the procurement pipeline 50 ambulances awarded through a South African company. Because only 10% of the purchase price has been paid, the supplier has withheld the vehicles^{xv}.”

The Swedish Government, which is funding the Reproductive, Maternal, Neonatal, Child Adolescent Health and Nutrition Project, under which the cancelled tender would have been originally financed has recently bought and donated 25 ambulances to the MoH.

“These are customized all terrain ambulances with life support accessories. They have been purchased by the Ministry through the United Nations procurement system at a unit cost of \$52 550. With our joint focus on the value of money, of course our key principle when procuring equipment, this price level I just mentioned has enabled us to purchase in total the 25 ambulances.” (Swedish Ambassador to Zambia, Mr. Henrik Cederin at the handover ceremony of the ambulances) 22.12.2017

An award outside the system is explained as one that is done after evaluation of bids and reports compiled from information submitted on the system; but the contract is concluded outside the electronic module. An award through the system would entail the contract being sent to the Attorney General (AG) online, after an evaluation [undertaken online] has been completed. The AG’s response and comments if any would be posted on the e-GP system for stakeholders to access.

Table 1 on the next page shows the tenders that MoH had run on the e-GP (as at December 2017). It shows that three (3) of the tenders were cancelled. None responsiveness and failure by suppliers to submit bids on time, including complaints by suppliers were reasons cited for ‘cancellation’ of the three bids. It was established that the four bids which appear as being under ‘evaluation’ have since been awarded outside the e-GP system.

ZPPA indicated that it had not quality assured the outcomes of the four (4) bids which have been awarded outside the e-GP by MoH. It could be possible and worth some lessons to analyse the

Table 1: Tenders run by MoH on e-GP (December 2017)

| | Title: | AP Reference Number | Procedure: | CEEC Preference Type | Submission details | Deadline of bid Submission | Financing | Status |
|---|---|----------------------------|----------------------------|-----------------------------|---------------------------|-----------------------------------|--|---------------|
| 1 | Tender for the Supply and delivery of Twelve (12No.) 4X4 Manual Double Cab Utility Motor Vehicles and One 1No. 30 Seater Mini Bus under the World Bank and CDC COAG PROJECTS | 1838/2/8/2017 | Open Bidding National | No | Online | 08/09/2017 | World Bank and CDC COAG Projects | Evaluation |
| 2 | Tender for Supply and Delivery of Three 4 x 4 Double Cab Motor Vehicles | 1838/2/6/2017 | Open Bidding National | No | Online | 13/04/2017 | ? | Evaluation |
| 3 | Tender for the Provision of Customs Clearing Services | 1838/3/5/2016 | Open Bidding National | No | Online | 21/12/2016 | ? | Evaluation |
| 4 | Tender for Supply and Delivery of (2) 4 x 4 Automatic Utility Motor Vehicles for Radiation Protection Authority | 1838/2/2/2016 | ? | ? | Online | 16/12/2016 | SIDA | Cancelled |
| 5 | Tender for the Supply, Delivery, installation and commissioning of Medical Equipment with support from the Swedish International Development Agency (SIDA) and Centre for Disease Control (CDC) Financing | 1838/2/3/2016 | Open Bidding International | No | Online | 23/12/2016 | SIDA and CDC | Evaluation |
| 6 | Tender for Supply and Delivery of Utility Motor Vehicles, Basic Life Support Ambulances, and Motor Bikes for the Reproductive, Maternal, Neo-Natal, Child Adolescent Health and Nutrition Project | 1838/2/1/2016 | Open Bidding International | ? | Online | 21/10/2016 | Reproductive, Maternal, Neo Natal, Child Adolescent Health and Nutrition Project | Cancelled |
| 7 | Tender for Supply and Delivery of (2) 4 x 4 Automatic Utility Motor Vehicles for Radiation Protection Authority | 1838/2/2/2016 | Open Bidding National | ? | Online | 16/12/2016 | ? | Cancelled |

reports, with a view of establishing the following: i) whether the tenders met the evaluation criteria, ii) any appeals made and iii) reasons for the appeals, if any.

5.7.4. Perverse Incentives

The study attempted to understand why PEs such as MoH would still opt to evaluate bids manually as opposed to electronic evaluation. It was speculated that the monetary sitting allowance, which is given as an incentive to members of the evaluation committee could be driving the evaluation teams to continue attending to bids outside the e-GP framework. MoH was said to have prolonged evaluation period of tenders.

The “longer the evaluation time for a bid, the more money accumulated to the committee members. But the evaluation committees may not be the only ones who derive economic benefits from procurement. The beneficiaries are scattered throughout the sector and it is not possible to single out all the winners and losers, unless one undertakes a thoughtful mapping exercise^{xvi}.”

With regards to procurement of drugs and essential medicines, it was learnt these are done mainly through framework tenders and a couple of one - off tenders. While MoH’s Procurement Plan (*updated 08.12.17*) showed at least five (5) opportunities for procurement of drugs, none of these were sourced the e-GP. It looks like MoH missed several opportunities to experiment with drugs related procurement on the e-GP.

5.7.5. Mixed messaging: Manual or electronic procurement

As a procurement method, the e-GP is currently not uniformly applied in the pilot PEs. It seems like procurement staff choose when it is convenient for them to use either the manual or electronic system, with the default likely to be the manual system. Procurement staff explained that the use of the e-GP is not yet officially institutionalised and that the messaging received from ZPPA during the e-GP introduction was that the two systems (manual and electronic) would run side by side^{xvii}. But ZPPA and WB insisted that during the pilot phase, PEs were purposefully encouraged to utilise the electronic system, so that information being generated could inform the proposed benchmarking by ZPPA^{xviii}.

5.7.6. Resistance to e-GP utilisation

Legally, the e-GP is not provided for in the PPA as a procurement tool. Some PEs, including MoH were reportedly using this legal lapse as an excuse for not utilising the e-GP to conduct procurement. For instance, MoH ran a tender advert in the Zambia Daily Mail on 19th December 2017, which explicitly stated that bids submitted electronically would not be honored. While the reasons for this exclusionary clause were not provided, it could be assumed that MoH was confident that the process could pass the test of the law.

The fact that the message originated from a PE which is considered a pioneer in e-GP sends mixed messages. It also essentially brings into question MoH's acceptance of electronic procurement. Further, interviews with one key stakeholder revealed how other MPSAs, examples of the Zambian Electricity Supply Corporation (ZESCO) and the Electoral Commission of Zambia have resisted using the e-GP, because they considered their systems as being more superior to the e-GP^{xix}.

This study learnt of the politics pertaining to which organisation should take the lead role in rolling out entire government IT, which the e-GP has subtly been exposed to. Smart Zambia, is the new directorate created to lead government wide IT. The Centre seems to have top political recognition; led by a new position of Deputy Secretary to Cabinet. The directorate is hierarchically located at Cabinet level, possibly signifying the amount of authority the Centre would have across government. Within government circles, it was said that there is a strong steer to have the e-GP spearheaded by Smart Zambia, a move which might take away some authority from the ZPPA.

5.7.7. Procurement thresholds versus e-GP

Information from various interviews suggests tension or resistance to using the e-GP for tenders valued below the ZMK500, 000 threshold and those using frameworks. Some of the reasons advanced for this resistance are discussed in the next paragraphs.

a) Meeting SMEs' demands

There appears some reluctance by some procurement staff to use the e-GP (DFID, 2017), especially for procurements below the ZMK500, 000 thresholds. Procurement staff in both MoH and ZPPA explained that using the e-GP to advertise tenders below the threshold was not ideal because they would often be non-responsiveness; an almost 'silent' boycott by the SMEs.

Suppliers in the SME category who are the likely competitors for small value bids were said to have complained about being left out of the procurement business because of technological barriers. The SMEs have listed challenges with: i) connectivity, which includes unavailability of internet and slow connection and ii) limited skills to be able to use technology.

An interview with an independent Member of Parliament (MP) for Kantanshi, who considers himself as a champion for SMEs confirmed some of the challenges that could lead to resistance of using e-Procurement. He was insistent that for e-procurement to serve its intended purpose, retain competitiveness and equity among others, ZPPA should innovate

“a procurement system that categorises users and bidders according to their socio-economic differences as opposed to lumping them in the same category.”^{xx}

b) Will framework contracts make it on the e-GP?

As earlier stated, no framework contract has been advertised or been awarded through the e-GP. *“Procurement of essential drugs and medical supplies is a separate issue from the use of the e-GP because drugs are often purchased through framework tenders,”* indicated one respondent.

The EU Assessment (2015) found planned procurement for essential drugs and medical supplies being handled through six (6) framework tenders (4 for the international and 2 for the national suppliers), each running for 2 years, as well as annual “one- off” tenders. The EU Assessment had further found that all tenders were run in accordance with the ZPPA guidelines through open international or national competitive biddings.

As at 2015, all planned procurement for framework contracts had been completed by the MoH, while procurement of the new one-off tenders was to commence during January 2016. However, the MoH had opportunity to prolong the existing contracts for another two years (EU, 2015).

Two years down the line, this study learnt that the second phase of the framework contracts had not been renewed. The earlier thinking and delay had been to allow for transition of the procurement function from MoH to MSL; after which MSL would then take over the handling of the frameworks.

But information from interviews regarding the renewal process or status of frameworks was rather mixed; with one respondent speculating that the frameworks had expired and would not be

renewed while another stating that the frameworks were in the process of being renewed. Irrespective of the correct position, it appears like the process leading to renewal of the frameworks was not transparent. An immediate past supplier felt there had been a deliberate effort aimed at excluding them from participating in the bidding process, through inviting bids using “*restricted tendering*.” The tender was only opened up after suppliers made representations to ZPPA and to the Minister of Health, and an expose in one of the Daily Newspapers (Mwenda and Ncube, 2017).

The implication of the expiry of the framework contracts is that MoH could be procuring drugs from various suppliers as and when at varying prices as opposed to fixed prices which would be constant if procured under a framework. Stakeholders speculate that the ‘*pay as you go*’ arrangement of procuring drugs exposes the drugs budget to manipulation by those involved. “*There could be self-interests or incentives in this arrangement, because the circumstances for late renewal or re-tendering of the frameworks remain unclear, some sources have speculated^{xxi}*”. The non-renewal of frameworks has arguably disadvantaged some drug suppliers who had been kept waiting for the renewal.

But this alleged supposed unfair treatment of drug suppliers has gone unnoticed perhaps because of the limited number of players on the market and failure to report for various reasons.

“It is the same few players in the market who can hardly complain or appeal to ZPPA for fear of victimization. The suppliers cannot complain or appeal to ZPPA because they do not feel protected. Staff do not feel protected either. The whistle blowing facilities are questionable^{xxii}.”

It was claimed that victimization would come through being excluded from future tenders. With the myriad of issues seemingly at play in the use of frameworks, it remains unclear whether framework contracts would soon be handled through the e-GP.

5.7.8. Technology not Top Priority in Health Sector Procurement

“Technology is a tool that can essentially be sorted out once major decisions are out of the way^{xxiii}.”

Stakeholders outside ZPPA did not generally consider technology such as the e-GP as a priority in PEs. They tended to refer to big picture, strategic issues such as ‘*who is responsible for*

procurement;’ *‘availability of funding;’* or *‘addressing issues such as delayed payments to SME suppliers’* as the major issues requiring priority attention.

Key stakeholders in health-related procurement agree that the main procurement issues that confront the sector cannot be addressed through installation of an electronic system; *“which is modelled on a solution from mature political economic contexts; very different from Zambia.”* MSL for instance felt the institution was ready (staff, software, etc) to handle the procurement function once it is transferred from MoH and insisted that software is not the issue at stake, but merely a means to efficient procurement. Almost all stakeholders interviewed expressed skepticism about the Zambian government’s ability to sustain the e-GP system with continuous upgrades especially that the e-GP runs on commercial software.

These variations in prioritisation of issues between ZPPA and its stakeholders, coupled with the diverse interests and incentives of the various stakeholders could have had a bearing on the buy-in, take up and eventual roll out of the e-GP. Particularly for the health sector, we learn that the e-GP is not considered as a priority among the pressing procurement issues. Moreover, MoH and MSL have had an outstanding strategic issue to resolve, which has potential to eclipse focus on the e-GP.

5.7.9. Linking e-GP into the Integrated Financial Management Information System (IFMIS) could make e-GP more acceptable

Although the ideal e-GP should function as an integrated system within the government’s budgeting and accounting system, it currently functions as an independent system. Some of the stakeholders who have interacted with IFMIS or are utilising it questioned why the e-GP module was not linked to the IFMIS from the inception phase. Those who have utilized both the e-GP and IFMIS felt that because the two systems run independent of each other was increasing the workload of procurement staff^{xxiv}. Integrating the e-GP into the IFMIS module, as has been done in the case of Rwanda could naturally enhance utilisation, unlike the current arrangement which seems imposed on the PEs.

5.7.10. Safeguarding the Procurement Profession and Watching Citizen Interests

In view of the claims of fear and victimization of staff which emerged from respondents, the study attempted to understand the role of ZIPS in safeguarding professional procurement practitioners' interests. A couple of respondents had also insisted that political interests in procurement were so prominent that they had extended to capturing ZIPS as a professional body and civil society organisation (CSO) watchdogs. Because Transparency International Zambia (TIZ) sits on the ministerial procurement committee, effort was also made to understand their perspective, given the foregoing assertions.

a) ZIPS

Though ZIPS dismiss the idea of being captured by political cartels, it admits limitations in as far as regulating practice and safeguarding procurement professionals' interests is concerned. This admission is consistent with a World Bank assessment which had found that ZIPS had inadequate institutional capacity to regulate the procurement profession and deliver training to its members (World Bank, 2014:16). With regards to ZIPS' perceived inability to speak on behalf of the officers who had been dismissed in ZPPA and MoH, part of the narrative from ZIPS is that members have not reported the allegations of ill treatment or political interference in their work to the institute.^{xxv}. ZIPS seemed self-introspecting and questioned its own legitimacy to represent members against a background of poor member compliance, seen from the low level of subscription to the institute. For instance, out of an estimated 6,000 procurement practitioners, more than three quarters of which are from the public sector, only 500 were duly subscribed, at the time of the research (*Mwale, C³⁰ and Mwelwa, C^{xxvi}*).

b) CSOs – Transparency International Zambia (TIZ)

Arising out of CSO advocacy efforts on transparency in procurement, government agreed to invite various CSOs to act as observers on procurement committees. This arrangement is not enshrined in the law but has generally been operationalized by PEs. A respondent from the private sector claimed that CSOs who are invited to observe procurement processes in their watchdog capacity,

³⁰ <http://www.daily-mail.co.zm/deduction-of-fees-at-source-good-zips/> (accessed on 26.12.18)

have fallen trap of co-optation by PEs. The perception is that the CSOs have been used to rubber stamp irregular procurements, because they have accepted monetary allowance, which is given to members of the procurement committees, and that this has undermined their independence to challenge questionable procurement decisions. Transparency International Zambia (TIZ) is one of the CSOs which pushed to have the CSOs act as procurement watchers. A TIZ representative interviewed as part of this study agreed that there could be the possibility of ‘certain’ and not ‘all’ CSOs being

“co-opted; because various PEs can select CSO representatives that they want to be part of their processes. We are part of the process in MoH and have maintained our role as an observer and not as a member of the committee^{xxvii}.”

However, the TIZ representative felt that there points when procurement decisions seem fixed by those close to the processes: -

“Public officers and suppliers know how to beat the system to such an extent that the technical proposals for suppliers’ bids are almost equal to the technical specifications and cost estimations done by engineers for road works, for example^{xxviii}”.

It was noted that such scenarios left evaluation committees with no choice but to award contracts - based on the technical and economic strength of the proposals, [which could be fictitious] and likely the ones which end up being “more costly to government than the original contract value^{xxix}”. Such are the opaque aspects of procurement which an electronic system cannot identify or address, the TIZ representative observed.

5.8. Procurement component of PFMRP characterised by dismal performance

In order to gain a big picture perspective of how procurement reforms, specifically the e-GP implementation had progressed since inception, the study also tried to understand the e-GP through progress reports of the PFMRP. What emerges is a general picture of slow progress and poor performance on the procurement component, in comparison to the other seven (7) components in the programme. For instance, the statement below from the latest PFMRP (2018) first quarter report shows limited traction on the component: -

“.....the e-GP is functioning well in most of the piloted institutions and that it is now being further rolled out. The e-GP has been implemented in eleven (11) PEs. By close of 2017, all PEs implementing e-GP had

published Procurement Plans through the e-GP while nine (9) out of the pilot PEs had published an open tender on the system e-GP” (MoF / PFMRP, 2018).

The limited progress being made on the e-GP implementation could be an indication that the project is struggling to achieve results. The fact that only nine 9 PEs had published tenders on the e-GP appears too low an accomplishment for a project which is aspiring for nationwide roll-out, to close to four hundred and fifty (450) PEs.

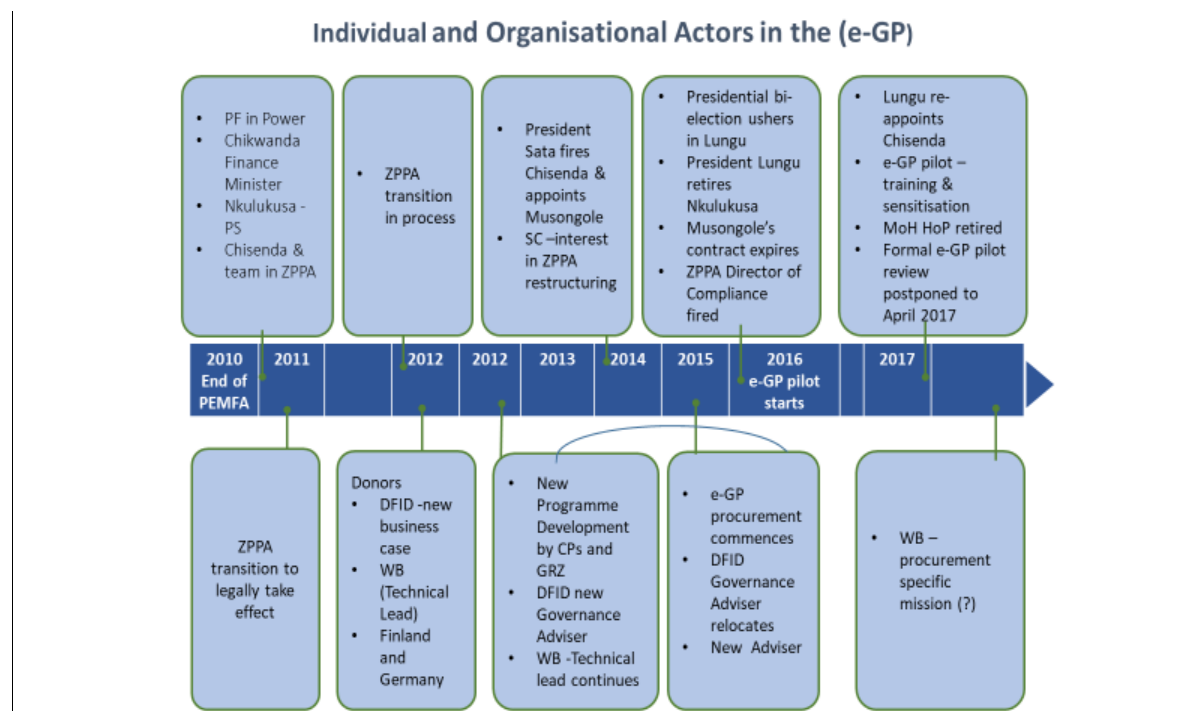
5.9. Key Actors (individuals and organisations) in e-GP and reform window

Like other reforms, the e-GP could have been impacted on by the turnover of key actors, from design to implementation, and possibly also by some inertia within the bureaucracy. Figure 3 below attempts to depict the history of individuals and organisations involved in the e-GP / procurement reforms since 2010.

The year 2010 was significant because it was about conceptualizing the overall public finance reform agenda, informed by the PEFA assessment. In 2011, two key events in the context: - i) ZPPA transitioning and ii) the coming in of a new government seemed to have coincided to create what could have been interpreted as an opportunity for reform.

But it was only in 2013 when the reform agenda appeared to have taken off, with relatively new individuals on both donor organisations and GRZ sides. For instance (DFID, Finland and World Bank had relatively new officers in post) and GRZ had a Minister of Finance seemingly supportive of bureaucrats on GRZ’s side. Former Finance Minister Chikwanda, was said to have provided public servants their professional space and supported their decisions^{xxx}. The PS – Budget and Economic Affairs in MoF is said to have seemingly earned the confidence of counterparts on the CPs side; and was able to bring them together and agree the PFMRP document^{xxxi}.

Figure 3: Timeline of Individual and Organisational Actors in the e-GP



Though the donors (DFID, Germany, Finland and World Bank) could not agree on every single reform agenda, they ultimately pooled their collective interests and signed up to the PFMRP-MDTF. For instance, while DFID was instrumental in the PFMRP design and set up, it did not particularly agree that the e-GP would succeed in the absence of basic IT infrastructure. But more so because the lessons from IFMIS were not promising enough to back investment in an IT based reform component. The WB staff however, who had expertise in IT and Finance were supportive of the idea of piloting e-procurement. WB staff were also willing to have ZPPA run with the e-procurement proposal, to which they offered to provide accompanying TA through the life of the programme^{xxxii}.

With WB as administrator and TA provider, the MDTF became the coalescing and financing instrument for both GRZ and CPs. The PS MoF chaired the Technical Committee of the MDTF, which meet quarterly to discuss technical issues while matters of a strategic nature are discussed at the Steering Committee level, chaired by the Secretary to Treasury.

But the plans and relationships built on the PFMRP MDTF were probably too short-lived to witness the e-GP implemented as envisaged, due to reasons such as change in political guard, as in the case of GRZ, which entailed some key individuals being fired or retired; or end of contract tenure

as was the case with a number of individuals on donors' side. While ZPPA has had a fair share of changes, both DGs seem to have given the e-GP support, evidenced by the level of engagement in the various events surrounding it.

Given the foregoing history of individual and organizational actors on the e-GP, it appears that the e-GP was an alliance between donors, especially the World Bank and a few committed within government (MoF and the ZPPA). Once the individuals moved on, progress on the e-GP seemed to stall or drag.

5.10. Conclusion of chapter

In concluding this chapter, this study contends that prior to inception, the initiators of the e-GP could have benefited from a candid PEA of procurement reforms in Zambia; accompanied with i) realistic proposals of how to address emerging issues; ii) and a realistic change management strategy and timeline before implementation.

As a procurement instrument, it seems like the e-GP has only been rhetorically welcome in MoH. There is little evidence to demonstrate that stakeholders at various levels have accepted it and are committed to ensuring its success. Interests and incentives of stakeholders appear to be at the core of success or failure of the e-GP as a procurement tool. Though not visibly manifest, the e-GP has more ‘blockers’ and ‘fewer supporters’ across the procurement spectrum. Because the political stakes in procurement are high, the e-GP, or indeed wider procurement reforms seem to survive at the goodwill of a few supporters, who may have accepted the project and may have limited levels of authority to make changes within their spaces.

Progress on the e-GP seems manifest more in the relative ability of the ZPPA to pull and push some strands of work within the few pilot PEs, while the other PEs are in theory part of the process. PEs and external stakeholders are hindered to fully utilise the e-GP partly due to technological barriers such as unstable internet connections or limited access to computer hardware. Available data shows that ZPPA is the main user of the e-GP, and not the PEs for which the system is clearly intended to add value. Because there are traces of utilisation of the system by the ZPPA and a couple of committed PEs, the overall picture of limited traction is masked.

The foregoing scenario seems to disguise the relative ability of ZPPA to exert pressure on the PEs and some of the capacity limitations of the ZPPA to transfer knowledge and skill to the PEs. There appear low levels of acceptance of the e-GP particularly in MoH and widely in PEs. It is unclear that the path being taken for the e-GP reforms can transform procurement processes and outcomes given the context of limited broad-based support. What seems to be transpiring is token acceptance of this reform effort in public rhetoric; which is however hardly matched with corresponding action. Besides, the reform is clearly lacking leadership at ministerial or cabinet level.

While the e-GP was conceived with the aim of reducing human interface in procurement processes and procedures to enhance transparency, credibility, and VfM, implementation thus far suggest that the reforms are falling short of the intended objectives (Crown Agents, 2018). Consequently, this study associates the e-GP to isomorphic mimicry, a situation where “...-governments and

organizations pretend to reform by changing what policies or organizations look like rather than what they actually do” (Andrews et al 2013).

A similar conclusion can be made of the wider procurement reforms. There has not been an audit or evaluation of the reforms since decentralization of the ZPPA to be able to concretely gauge if the reforms are living up to the objectives. However, the PEFA scores of 2012 and 2018 rate procurement reforms low. Challenges of transparency were significant procurement information is not made available publicly; and lack of an independent appeals procedure and an appeals body are some of the examples cited in studies (DFID, 2017), which this study also found.

Using the MoH example, we also observe that opportunities for attaining VfM in procurement i.e through what appears to be limited use of framework contracts or absence of prices for common items are lost. A recent (DFID, 2017) report has documented these missed opportunities of ensuring VfM in public procurement in Zambia. However, it is reassuring to note that stakeholders in procurement, especially ZPPA acknowledge the foregoing weaknesses and there is evidence of a conversation regarding them taking place. What is evidently lacking is implementation of actions leading to concrete resolution of the identified weaknesses or existing policies.

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8. Notes on Respondents and other people cited in the boxes

ⁱ Chibwe Mwelwa in <https://diggers.news/local/2018/05/22/govts-failure-to-appoint-procurement-managers-creating-problems-mwelwa/>

ⁱⁱ Wynter Kabimba is credited for having diligently organised the PF, and with Michael Sata ushered it into government. He was later nominated MP and appointed Minister of Justice by President Sata. He was fired by President Sata in August 2018; and had his nomination as MP revoked. He was replaced as Justice Minister and Party SG by Edgar Lunguⁱⁱ. During the fight to succeed the late Sata, PF colleagues accused him being aligned to a group of powerful business people commonly referred to in Zambian politics as ‘the cartel’. Wynter later formed the Rainbow Party and contested for presidency against Lungu in 2016.

ⁱⁱⁱ GBM is said to have been the main benefactor of Sata and the PF before and just after 2011. He was appointed Defence Minister in 2011. Perceived rivalry between GBM and Wynter is said to have cost GBM his ministerial position. He joined the opposition UPND after being fired by Sata.

^{iv} Chishimba Kambwili is a founder member of PF under Sata, and served as Minister in Sata and Lungu’s governments. He last served as Information and Broadcasting Minister until he was fired by Lungu in 2017. It was speculated that Kambwili had intention to challenge the president in the next General elections (2021). Kambwili identifies with the National Democratic Congress. His parliamentary seat under the PF has been withdrawn and he has mounted a challenge in the courts of law.

^v Withheld

^{vi} Withheld

^{vii} Withheld

^{viii} Jacob Masatunya, MoGE

^{ix} Withheld

^x Withheld

^{xi} Withheld

^{xii} Ibid

^{xiii} Withheld

^{xiv} Withheld

^{xv} Withheld

^{xvi} Withheld

^{xvii} Masatunya and withheld

^{xviii} World Bank and ZPPA staff

^{xix} ZIPS

^{xx} Hon Anthony Mumba

^{xxi} Withheld

^{xxii} Withheld

^{xxiii} Withheld

^{xxiv} Jacob Masutunya, MoE

^{xxv} Chibwe Mwelwa, ZIPS

^{xxvi} Chibwe Mwelwa, ZIPS

^{xxvii} Bwalya, TIZ

^{xxviii} Bwalya TIZ

^{xxix} Wesley Chibamba. TIZ

^{xxx} Withheld

^{xxxi} Withheld

^{xxxii} Withheld